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Achieving institutional isomorphism in international franchising through knowledge transfer: Evidence from the food and beverage industry in Cambodia

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Abstract

This study evaluates franchising decisions in the food and beverage industry by incorporating an institutional perspective and an organizational learning perspective to account for both economic and social factors. Adopting a qualitative approach, multiple-case-study analysis is conducted on international franchise brands in the food and beverage industry. The results indicate how each type of franchise network—underdeveloped, developing, and developed—achieves coercive and mimetic isomorphism and how that leads to distinctive implications for both the franchisor and the franchisee. This research fills the gap in the franchising literature by providing insights into knowledge-transfer practices and institutional isomorphism.

Keywords

International Franchising

Franchise Networks

Knowledge Transfer

Institutional Isomorphism

Institutional Theory

Relational Power

Introduction

Franchising literature typically utilizes organizational learning theory and agency theory to explain organizational decisions, successes, and failures. Recently, more researchers have acknowledged that institutional theory can effectively complement organizational learning theory and agency theory. Together, these theoretical lenses provide a more encompassing and holistic approach to understanding the practice of franchising. While organizational learning theory and agency theory consider only those factors related to economic pressures, institutional theory takes another approach to account for factors arising from social pressures (Barthélemy, 2011; Combs et al., 2009). Contrary to the recent effort to incorporate the effects of social pressures on a range of international expansion forms, utilizing the theory of institutional isomorphism, alongside other theories, to explore international franchising remains a new and underresearched domain that could continue to offer new insights into the study of franchising (Brookes & Altinay, 2017; Combs et al., 2009; Doherty et al., 2014; Weaven et al., 2014).

Organizational learning theory takes into account economic factors such as knowledge-transfer processes in franchise networks, because the success and competitiveness of a franchise system does not rely solely on how franchisors transfer goods or services in business models, but also on the "know-how" of running the business (Paswan & Wittmann, 2009). The know-how encompasses knowledge-transfer practices such as knowledge use and management (Paswan & Wittmann, 2009). Moreover, the theory also addresses knowledge-specific and partner-specific characteristics and factors to examine the possible impacts on knowledge-transfer effectiveness (Kogut & Zander, 1993; Simonin, 1999; Uygur, 2013). Such approaches generally focus more on the economic efficiency of the franchise system (Aliouche et al., 2015). According to Barthélemy (2011), it is therefore not surprising that agency theory explains franchising decisions; however, institutional theory, unexpectedly, plays an important role in explaining how franchisors and franchisees respond to uncertainty existing in a franchise network.

Institutional theory takes into account the social dimension by studying how not only economic factors, such as knowledge transfer, but also social pressures can have an impact on achieving isomorphism or imitation. According to DiMaggio and Powell (1983), coercive isomorphism is defined as imitation that is caused by "formal and informal pressures exerted in organizations by other organizations upon which they are dependent" (p. 150), while mimetic isomorphism is defined as "imitation of modelled organization that arises from uncertainty" (p. 150). Achieving institutional isomorphism allows for brand conformity within the franchise network. Moreover, it allows franchisees to establish mechanisms that can lessen the uncertainty that the organization faces. Hence, utilizing both perspectives can ultimately explain franchising decisions, successes, and failures.

Given the relatively new approach of combining both organizational learning theory and institutional theory, this study aims to use this theoretical lens to contribute to a clearer and more comprehensive understanding of knowledge transfer and institutional isomorphism in international franchising. In order to take into account both economic and social pressures, knowledge-transfer mechanisms and practices in international franchising are examined. The impact of the latter, alongside other internal and social pressures to adapt, is examined to understand such influences on achieving institutional isomorphism. Iddy and Alon (2019) emphasized that replication strategy and adaptation is important in franchise-network growth, thus highlighting the need for more research in this area. In addition, this study also assesses the implication for franchise businesses of achieving institutional isomorphism. Moreover, the international franchising literature predominantly assumes the franchisor's perspective; however, the franchisee's perspective should be given more attention considering their role in decision making within the franchise network (Alon et al., 2020). This study aims to fill this gap in the international franchising literature by employing the theoretical lens of organizational learning theory and institutional theory and exploring international knowledge transfer from the perspective of franchisees.

Additionally, this study focuses on the institutional context of Cambodia. Baena (2012) uncovered that despite the great effort of examining franchising businesses from an international standpoint, there is still limited academic attention paid to this, since most studies focus on the U.S. franchising system and little is known when it comes to international franchising in emerging nations (Bretas & Alon, 2020). Moreover, despite such efforts to study franchising in emerging markets, Meyer and Peng (2016) stated that while literature on emerging markets is evolving, it is still underresearched because of the heterogeneity of emerging markets. This heterogeneity is influenced by a country's institutional development, and financial and technological infrastructure, as well as economic policies.

Additionally, most of the emerging-market literature focuses on leading emerging economies such as Brazil, Russia, India, and China, and other major Asian emerging economies such as Malaysia and Taiwan (Baena, 2012). Therefore, the present study focuses on the less researched context of Cambodia, an emerging economy that belongs to the least developed country cluster of the Southeast Asian economies. Cambodia's institutional context is interesting because it is perceived by foreign franchisors as having high uncertainty and a business environment increasingly linked to the global business environment. It is important to focus on a specific context, as firms that belong to different economies have significant differences in their resources and capabilities (Kamasak et al., 2016) and strategize differently in order to succeed, despite uncertain global markets (Zámborský, 2020).

With an approach combining organizational learning theory and institutional theory, this research aims to answer the following research questions: (1) How will the facilitation of knowledge transfer between the franchisor and the franchisee lead to institutional isomorphism, specifically coercive and mimetic isomorphism? (2) What are the factors affecting knowledge-transfer effectiveness as well as their influence on institutional isomorphism? By answering these questions in the context of the franchising industry in Cambodia, this study aims to contribute to the knowledge transfer and institutional isomorphism literatures in service management (Moon et al., 2021; Wagstaff et al., 2021). The study provides a clearer understanding of the underlying relationships within an integrated theoretical perspective and clarity on the boundary conditions of both theories, given the novelty of this context's institutional environment.

Literature review

Institutional isomorphism in international franchising

Isomorphism is "a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions" (DiMaggio & Powell, 1983, p. 149). There are two types of isomorphism: 1) competitive (competition for resources and customers), and 2) institutional (political power and institutional legitimacy). The three pressures behind institutional isomorphism are coercive, mimetic, and normative. Coercive pressure takes place when a manager (or an organization) responds to any formal or informal pressures exerted by any government or professional organization with which they coexist and are dependent on (Combs et al., 2009; DiMaggio & Powell, 1983). Mimetic pressure occurs when a manager (or organization) responds to uncertainty by imitating other organizations within the network of their institutional environment (Combs et al., 2009; DiMaggio & Powell, 1983; Meyer & Rowan, 1977). Normative pressure arises when managers have to conform to professional standards that exist in their institutional environment, such as professional associations (Combs et al., 2009). These professional standards are conditions and methods of work that the professionals in these associations set to ensure legitimacy for their occupational autonomy (DiMaggio & Powell, 1983).

In the context of international franchising (Alon, 2004; Altinay et al., 2014), institutional isomorphism arises from pressures within the franchise network or environment. Franchising research has evolved by adding institutional theory to classic theories (e.g., agency and organizational learning theories) to form a lens for studying an organization's inclination and propensity to choose franchising as a form of organizational expansion (Combs et al., 2011; Moon et al., 2021). Moreover, research has also utilized institutional theory to examine survival or mortality rates of franchisors. For example, Shane and Foo (1999) explored whether institutional theory can complement theories that focus on economic factors in explaining the survival of new franchise systems. They examined how cognitive legitimacy, sociopolitical legitimacy and imprinting affected the survival of 1,292 new multisector franchisors in the United States between 1979 and 1996. Their results show that coercive isomorphism is achieved when franchisors strive to attain cognitive legitimacy through putting time and effort into ensuring organizational activities (such as familiarization with roles, routines, and new activities) are not taken for granted. Meanwhile, normative isomorphism is achieved when franchisors strive to attain sociopolitical legitimacy through following accepted standards established by institutions (government or financial institutions) or other societal actors (Shane & Foo, 1999).

Another prominent study, by Combs et al. (2009), examined the effect of institutional influences on an organization's propensity to franchise, across 1,300 multisector U.S. franchisors that were active between 1980 and 2000. The results showed that normative isomorphism occurs when organizations adhere to the pressure from professional associations in their industries, while mimetic isomorphism occurs when an organization's managers imitate competitors and use them as a guide for franchising decisions due to uncertainty. Barthélemy

(2011), on the other hand, reexamined both agency and institutional influences on franchising decisions among 132 French franchise chains. The results proved that institutional pressures explain French franchisors' propensity to imitate or mimic their successful competitors due to uncertainty, which, in this case, goes beyond what agency variables alone could explain (Barthélemy, 2011). However, Barthélemy mentioned that although legitimacy-based imitation allows organizations to increase their survival rate, this imitation may be achieved at the expense of short-term performance.

The above-mentioned research is focused mainly on the institutional influences on franchising decisions in the general franchise environment, however, not specifically within the franchise networks. To account for this drawback, Doherty et al. (2014) studied franchise relationships in the retail sector in China by employing both agency and institutional theories. This study took place in a country—China—where the legal framework for franchising is still evolving (Alon & Kruesi, 2019). The study revealed that coercive isomorphism (the regulative pillar) is achieved through abiding by the legal requirements of franchise contracts. However, in a developing institutional context, achievement of coercive isomorphism can potentially be weakened by cultural-cognitive norms which pertain to the franchisee's understanding of their responsibility to abide by the franchise contract. Moreover, due to a rapidly evolving franchise network and insufficient franchise infrastructure, contract enforcement becomes more difficult (Doherty et al., 2014). Hence, this could also make it difficult for franchisors to achieve normative isomorphism.

To address the country-context limitation of Doherty et al.'s (2014) study in China, Brookes and Altinay (2017) investigated how knowledge-transfer practices led to the achievement of institutional isomorphism across 32 hospitality and retail franchisees in Turkey, which does not have a strong regulatory environment, thus normative isomorphism was not incorporated. According to Brookes and Altinay, achieving coercive isomorphism depends on the explicit knowledge transferred to franchisees, the franchisors' use of centralized control "procedures and strictly enforced contractual agreements" (p. 37). Furthermore, achieving mimetic isomorphism depends on the tacit knowledge transferred from the franchisor to the franchisee.

Although various studies have been conducted in the context of developed and leading emerging economies (Baena, 2012), fewer studies have focused on other less developed economies such as those in Southeast Asia. In these economies, institutional differences and developmental gaps are prominent, even for countries of the same regional cluster such as Cambodia, Laos, Myanmar and Vietnam (Hughes & Un, 2011). Given the novelty of focusing on developing economies and the lack of extant research in this context, the present study aims to unveil the effect of such a context on the institutional environment in which the franchising industry exists. Hence, focusing on this new context could also reveal whether the institutional environment would aid or constrain franchising businesses (or the franchisee specifically) when it comes to achieving institutional isomorphism.

Knowledge transfer and its effectiveness in international franchising

According to Kogut and Zander (1993), firms obtain competitive advantage by making use of their knowledge and transferring it with the highest efficiency possible. The theory of knowledge transfer dates back to Nonaka's (1994) dynamic theory of knowledge, which differentiates knowledge as either explicit or tacit. This literature was developed further by Paswan and Wittmann (2009) who expanded on the model of knowledge transfer in the context of franchise networks. Explicit knowledge is defined as codifiable and thus can be easily transferred in a formal systematic language (Perrigot et al., 2017). Paswan and Wittmann (2009) suggested that explicit knowledge can be effectively transferred through "policy and procedure manuals, books, articles, or electronic communications [as it can be] easily codified and transferred from one individual or organization to another" (p. 174). On the other hand, tacit knowledge is “deeply rooted in action, commitment, and involvement in a specific context” (Nonaka, 1994, p. 16), and it is embedded in the human mind and its perceptions (Polyani, 1966). Tacit knowledge is the type of knowledge that has a more “personal quality” (Perrigot et al., 2017), and it is more “subjective and experiential” (Leonard & Sensiper, 1998). In effect, these features make tacit knowledge harder to codify, transfer, or communicate from one individual or organization to another (Kruesi et al., 2018; Paswan & Wittmann, 2009; Perrigot et al., 2017). A failure or an inefficient transfer of knowledge, whether from the inability of franchisors to transmit knowledge or the inability of the franchisees to absorb knowledge, will have a negative impact on the whole franchise system (Minguela-Rata et al., 2010).

Various researchers have studied the attributes that give rise to the difficulty of knowledge transfer (Ingršt & Zámborský, 2021; Kogut & Zander, 1993; Uygur, 2013). Simonin (1999) suggests a conceptual model of the antecedents of knowledge ambiguity based on the work of previous researchers such as Kogut and Zander (1993). The model classifies the knowledge ambiguity variables into “knowledge-specific” and “partner-specific.” Knowledge-specific variables pertain to knowledge tacitness, knowledge specificity, and knowledge complexity. Tacitness refers to the degree of codifiability and is related to the teachability or ease of transfer (Uygur, 2013). Specificity, usually known as “asset specificity,” refers to the “transaction-specific skills and assets that are utilized in production processes and the provision of services for particular customers” (Reed & DeFillippi, 1990, p. 89). Lastly, complexity is defined as “the number of interdependent routines, individuals, technologies, and resources linked to a particular knowledge or asset” (Simonin, 1999, p. 600).

Partner-specific characteristics or variables are prior experience, partner protectiveness, cultural distance, and organizational distance. Prior experience, or knowledge, refers to “various related knowledge domains, basic skills and problem-solving methods, prior learning experience and learning skills, and a shared language" (Md-Saad et al., 2016, p. 167). Partner protectiveness, conversely, refers to the power of knowledge-holders to "adopt explicit measures, deploy shielding mechanisms, and engage in defensive actions to protect the transparency of their competencies" (Simonin, 1999, p. 601). Meanwhile, cultural distance is defined as "the resulting vector of culture-based factors that impede the flow of information between the firms and its partner or environment" (Simonin, 1999, p. 602). Lastly, organizational distance refers to the degree to which the partners are "similar or dissimilar in terms of demographic characteristics, such as business practices, operational mechanisms, corporate culture, management style, etc." (Hsiao et al., 2017, p. 639). Brookes and Altinay (2017) and Weaven et al.'s (2014) findings revealed that organizational distance and prior experience are important partner-specific characteristics that influence knowledge-transfer effectiveness and the further achievement of institutional isomorphism. The large gap in both factors reveals knowledge barriers such as differences in business practices and norms (Altinay & Wang, 2006).

Although knowledge transfer between the franchisor and the franchisee has received significant attention in the extensive literature, as seen above, international franchising literature is dominated by research based on the franchisor's perspective (Moon et al., 2021). Moreover, this literature is largely based on studies conducted in a developed-country context (Baena, 2012), where the franchisor is more likely to be knowledgeable about the market and the franchisees have higher absorptive capacity (Contractor & Kundu, 1998). More recently, researchers have increased attention to developing countries where international franchisors are less knowledgeable about the market and local organizations and their agents are less experienced (Alon et al., 2020). Moreover, the franchisee's perspective should be given more attention (Altinay et al., 2014. This is especially crucial given the franchisee's role in decision making within the franchise network and also their role in partner selection when it comes to choosing a franchisor, as examined in the present study. Specifically, this study fills the aforementioned gap in international franchising literature by focusing on the perspective of franchisees and their roles in achieving institutional isomorphism.

Initial research framework

As a guide for theory building in this research, we conceptualize the initial framework from the extensive literature (see Figure 1). Drawing on Brookes and Altinay (2017), achieving institutional isomorphism depends on knowledge-transfer practices among franchisors and franchisees. To attain institutional isomorphism, Adams (2010) suggested a breakdown of how each type of institutional isomorphism could be achieved through knowledge flow and institutional pillars. The findings highlighted that regulative or coercive isomorphism centers around rules and is regularized through coercion. To achieve legitimacy, legal sanctions must be prescribed for coercive isomorphism, and knowledge should be highly explicit with a fast flow. Conversely, cultural or mimetic isomorphism centers on beliefs and is regularized through beliefs being shared. Legitimacy is achieved through cultural or accepted behavior within the networks and knowledge flow is highly tacit with a slow flow.

The first of the factors influencing the achievement of institutional isomorphism is internal pressures. Combs et al.'s (2009) findings showed that internal institutional pressures "play a much larger role compared to external institutional pressures" (p. 1283) because they depend on social values and practices being shared by members of the network. Partner-specific characteristics can also influence knowledge transfer, as they could ultimately affect the franchisor's ability to achieve institutional isomorphism (Altinay & Wang, 2006; Brookes & Altinay, 2017; Simonin, 1999). Lastly, Paswan and Wittmann (2009) and Brookes and Altinay (2017) suggested that the social and informal relationships in franchise networks influence the achievement of institutional isomorphism.

<INSERT FIGURE 1 HERE>

Methodology

Research design

The present study employed a qualitative approach with a multiple-case-study analysis method. This methodology is adapted from Eisenhardt's (1989) article "Building Theories From Case Studies". The Eisenhardt method centers around either theory building (from data to theory) or theory testing (from theory to data) to arrive at the end goal of "elaborat[ing] existing theory" (Gehman et al., 2018, p. 287). Thus, the Eisenhardt method aligns with this study's goal to contribute to the theory of isomorphism by elaborating upon existing theory through incorporating the insights from the multiple cases selected.

Given the nascent nature of knowledge transfer and isomorphism theories in the context of franchising, the multiple-case-study approach is employed through the use of interview-based cases as the dominant mode of collecting data (Edmondson & McManus, 2007). With multiple or comparative case-study analysis, this study was able to explore and draw conclusions from various perspectives of the same research question and purpose (Ghauri, 2004). Eight international food and beverage brands were selected after potential participants confirmed their participation. With purposive and snowballing sampling (as recommended by Nyadzayo et al., 2011), the main participants (country managers) served as the starting point because they could recommend other possible participants for effective triangulation. Despite having just eight brands for the cases, the triangulation technique allowed us to achieve 15 interviews. Each case is triangulated among existing key decision makers of each brand. Some brands only have one decision maker due to the nature of their organizational structure and decision-making hierarchy and their shorter time of being in business, as well as their limited resources. However, other brands have more than one decision maker. Jick (1979) stressed the importance of triangulation as a way to not only explore the existing multiple dimensions of a research issue but also to deepen our understanding, allowing the results to emerge. Selected franchisees and decision makers for each brand were interviewed for an average of 60 minutes, using open-ended questions.

This study analyzed eight cases and 15 interviews, as data saturation was achieved with those figures. According to O'Reilly and Parker (2013), data saturation is achieved when "nothing new is generated" (p. 192), which can be no new themes, no new data, and no new coding. When the data gathering does not yield new data, it is most likely that new themes will no longer emerge (Fusch & Ness, 2015), hence, the data saturation point is reached. In addition to that, the research design follows Eisenhardt's (1989) suggestion of having between four to 10 cases when adopting a multiple-case-study approach. Therefore, this research has 15 interviews with decision makers of eight international food and beverage franchise brands in Cambodia.

Research context

According to Madanoglu et al. (2019), franchising businesses have taken the lead in various service industries such as hotels, restaurants, and auto care. Among these, the most dominant industry is the restaurant industry (the subject of this study), wherein there is evidence of growth of U.S. franchise restaurants' presence in continents such as Europe, South America, and Asia (Lozada et al., 2005). According to Smith et al. (2019), growth in the Cambodian middle class and the expatriate community have contributed to the rise in patronization of international restaurant franchises. Cambodia is classified as a market with institutionalized constraints (Hill & Menon, 2013). According to the Hill and Menon (2013), despite the rapid growth that the country has had, it is still constrained by the country's "weak formal institutional structures and low level of trust and social capital" (p. 4). Cambodia also belongs to CLMV—Cambodia, Laos, Myanmar, Vietnam—a cluster of ASEAN countries where the development pace is slower compared to other countries such as Thailand, Malaysia, and the Philippines (Cuyvers, 2019).

However, with its open economy, in 2018, Cambodia had the leading gross domestic product (GDP) growth rate of 7.5% in comparison to other Southeast Asian countries and it was expected to grow continuously in the future (World Bank, 2019). Aside from the economic growth, there has also been a continuous increase in consumer spending and disposable income of Cambodians in 2010–2019 (National Institute of Statistics of Cambodia, 2019). According to Laurent Notin, the general manager of Indochina Research, the economic growth and middle-class growth, especially in Phnom Penh, have created favorable conditions for franchise businesses to grow (as cited by Renzenbrink, 2012).

In 2005, Express Food Group (EFG) Co. Ltd (a sister company of RMA Cambodia) was the first to introduce to Cambodia a Thailand-based franchise, The Pizza Company. Rami Sharaf, the then CEO of the RMA group in Cambodia, noted that there were no other restaurant franchises existing in the Cambodian market during that time. Since 2008, however, there has been a notable increase in restaurant franchises, especially those from the United States. According to Dato' Syed Kamarulzaman, the managing director of Perbadanan Nasional Berhad (PNS), under Malaysia's Ministry of Finance, Cambodia offers great opportunities for businesses given the steady growth in GDP, and it also has a large regional network (as cited by Chan, 2017). He believed that it was the time for franchises to grow, in terms of both bringing new franchise brands into the country as well as taking the country's own franchises overseas. Finally, the context of Cambodia is interesting and unique because it has no laws or regulations on franchising businesses, and it has no national franchise association.

Sample

Table 1 summarizes the research sample: the number of cases (international food and beverage brands) selected, the franchise origins, the number and classification of participants interviewed, the franchise network to which each brand belongs, the knowledge-transfer point of the spectrum at which the brand practices, the age of the brand in Cambodia (the number of years it operates in Cambodia), and the number of branches operating in Cambodia. Out of all the companies that the researchers reached out to, three parent companies agreed for the research interviews to be conducted among their employees, subject to the latter agreeing to participate. Company A is one of the forerunners, bringing the first franchise brand to Cambodia in 2005 and, since then, it has been building strategic business units for its succeeding diverse franchise brands from various origins. From Company A, 13 out of 20 potential participants from six brands agreed to participate in this research interview. Company B is also focused on growing its food and beverage franchise businesses, starting from 2012. From Company B, one of the four key members from the brand agreed to participate in the research. Company C is fairly new; it only started its first food and beverage franchising business in 2017 but has gone on to expand since then. One out of three key members of brand agreed to be interviewed. Table 2 provides details about the participants from each brand.

<INSERT TABLE 1 HERE>

<INSERT TABLE 2 HERE>

Although the data being drawn on were mostly from brands under Company A, every brand has a different management team structure, regardless of the company it belongs to. Moreover, since franchising is still a considerably young industry, participants' comments in the interviews revealed that the majority of brands and their key members were conservative about participating in research projects due to brand protectiveness.

Data analysis

Before data analysis, semistructured interview-guide questions were established to address the research gap by meeting the objectives established. The drafted guide questions were drawn from the literature on knowledge transfer and isomorphism done by previous studies on international franchising such as Altinay and Wang (2006), Paswan and Wittmann (2009), and Brookes and Altinay (2017). The guide questions covered how international franchising brands enter Cambodia and are established. Knowledge-transfer processes were then assessed throughout the life cycle of the brands' evolution. From there, the interviews were led by how the interviewees obtain and transfer knowledge from franchisors and pass it down to every brand member to ensure brand conformity and quality throughout the life cycle of the franchise brands. Triangulation was also used between different key members to assess the inputs that are not comprehensive enough from a single participant.

In this study, NVivo 12 and Eisenhardt's data-analysis process were utilized in three stages. Gioia et al. (2013) employed "grounded theory building," introduced by Strauss and Corbin (1998), by elaborating upon existing theory, using the data processed through these three stages (in Gehman et al., 2018). Firstly, we have performed open coding to extract what Eisenhardt called "measures" (or what Gioia called "first-order themes") from the raw transcribed data (in Gehman et al., 2018). In order to open-code and arrive at measures, we explored and analyzed "within case narratives" or "cases within cases" (Gehman et al., 2018; Langley & Abdallah, 2011). Secondly, we explored possible relationships among these derived measures through axial coding to arrive at what Eisenhardt called "constructs" (or what Gioia called "second-order themes") (in Gehman et al., 2018). In the process of axial coding to arrive at constructs, we employed "cross-pattern recognition" among cases (Gehman et al., 2018; Langley & Abdallah, 2011). Lastly, we abstracted the derived constructs and explored them at a higher level. In order to do so, we initially underwent the iteration process, based on the literature and the data, to provide explanations as to "how" and "why" certain groups of constructs emerge from cases (Gehman et al., 2018; Langley & Abdallah, 2011). This allowed us to arrive at what Eisenhardt called "emergent theories" (or what Gioia called "aggregate dimensions") (in Gehman et al., 2018). Regardless of the specific terminology used, this analysis process is mostly used in theory-building research (Gehman et al., 2018).

In terms of presenting the data, researchers usually present it in ways such as "overarching diagrams, presentation of our findings, themes, propositions, or whatever theoretical framework, and weaving that presentation with case examples to explain the emergent theory and its underlying theoretical logic" (Gehman et al., 2018, p. 288). In this study, we built an initial research framework based on the literature reviewed (see Figure 1), and, at the end of the results and analysis, we developed the final research framework based on the results emerging from the data (see Figure 3). According to Eisenhardt, the presentation of the underlying theoretical logic is very important (in Gehman et al., 2018).

Results and discussion

Franchise network

This study reveals that achieving institutional isomorphism, and the impact of doing so, depend on which franchise network a franchisor or a franchisee belongs to. A *franchise network* describes the individual capabilities of the franchisor and franchisee and their influence on the mutual franchise relationship within the network. The respective franchisor and franchisee's characteristics are drawn from the emerging categories of factors including experience as a franchisor in Cambodia's market or that of a similar Southeast Asian market, or the experience as a franchisee; the presence of a franchisor's international team dedicated to handling the brand solely for a franchisee's market; a franchisee's team's experience in handling the local market; the quality of both of the team members' experience (franchisor's team's experience and both teams' collaboration experience); and the training system. Drawing on the results, we classified franchise networks into three types: an "underdeveloped" franchise network (relatively weak franchise relationships between franchisee and franchisor), a "developing" franchise network (adequate franchise relationships) and a "developed" franchise network (strong franchise relationships).

Additionally, franchise networks and knowledge transfer are also noted to be codependent (Brookes & Altinay, 2017). The *knowledge-transfer spectrum* describes the continuum of the transfer of knowledge practices from one team to another (see Figure 2). It is evident from the data that each franchise network has a different flow of knowledge-transfer practices. On the knowledge-transfer spectrum, the underdeveloped franchise network is situated at the "confined" end of knowledge transfer (characterized by limited and insufficient knowledge transfer), a developing franchise network is situated at the "transitional" mid-point (adequate knowledge transfer), and a developed franchise network is situated at the "broad" end (extensive knowledge transfer). Each franchise network can move along the knowledge-transfer spectrum if knowledge-transfer practices are improved or not maintained. With the codependent nature of franchise networks and knowledge-transfer practices, the latter can worsen or increase depending on the franchise relationship within the franchise network.

<INSERT FIGURE 2 HERE>

Furthermore, the franchise network also explains the gap in partner-specific characteristics and knowledge-transfer practices that exists between the franchisor and the franchisee. The gap and impact of partner-specific characteristics between the franchisor and the franchisee—*organizational distance, cultural distance,* and *prior experience*—vary for each franchise network. According to Simonin (1999), high organizational distance accentuates knowledge ambiguity due to the lack of logical linkages between actions and outcomes, inputs and outputs, causes and effects. This happens in the case of underdeveloped networks. In contrast to previously mentioned findings, Sarala and Vaara (2010) explained that organizational differences among partners can introduce potentially helpful "diversity of practices, and beliefs and values" (p. 1366) as sources of international knowledge transfer. This is the case in a developed network, and partially the case in a developing network.

On the other hand, as knowledge is guided by cultural contexts, transferred knowledge has to be appropriate in that context (Schlegelmilch & Chini, 2003). This study's focus on cultural distance is captured in factors such as business-practice differences (A4-1), language differences and perspective differences (TM2), and time zone differences (TM1). Similar to organizational distance, the results revealed that cultural differences are a knowledge barrier for members of an underdeveloped network but act as value-added knowledge for members of a developed network. Lastly, Kim (1997) highlighted that an employee's prior experience, skills, and know-how could convey their ability to acquire new tacit knowledge and apply it effectively to improve the firm's performance and capabilities (Md-Saad et al., 2016). It is evident throughout the franchise networks analyzed in this study that the presence or absence of prior experience can limit capabilities. Table 3 (derived from interview data) provides a summary of all factors—franchisor and franchisee characteristics, partner-specific characteristics, and knowledge-transfer practices—constituting a franchise network.

<INSERT TABLE 3 HERE>

Franchise network and institutional isomorphism

In achieving both types of institutional isomorphism, three main factors emerge to explain how each franchise network attempts to achieve imitation and to what extent it can be achieved. Based on the results emerging from the data, those factors can be classified under knowledge-transfer-effectiveness influences, the knowledge-transfer-supervision process and the knowledge-transfer-monitoring process. Under these factors, there are different contributing subfactors that explain, in detail, the influences on institutional isomorphism. The results reveal that the factors which help to achieve coercive isomorphism, are the knowledge-transfer-effectiveness influences on the relational enforcement of the power of contractual agreements; the reciprocal use and transfer of explicit knowledge during the knowledge-transfer-supervision process; and the inspection or utilization of the training system during the knowledge-transfer-monitoring process.

Meanwhile, factors that help to achieve mimetic isomorphism are the knowledge-transfer-effectiveness influences on the relational establishment of trust, credibility, and reliability in the franchise relationship; the reciprocal use and transfer of tacit knowledge during the knowledge-transfer-supervision process; and the control procedure during the knowledge-transfer-monitoring process. Under mimetic isomorphism, control is associated with the act of managing the differences between target plans versus actual plans, while inspection is associated more with the act of checking and looking for any problems.

Additionally, the results show that institutional isomorphism is not solely exerted upon the franchisee by the franchisor; rather, the results show a two-way process, insofar as the franchisee also has the power to make the franchisor imitate them. This creates what we call a *relational isomorphism* through reverse knowledge transfer, and applies to both coercive isomorphism (via *relational power*) and mimetic isomorphism (via social ties and partnership), in particular in developed and partially in developing franchise networks. This result, therefore, provides a novel insight into the underresearched use of institutional theory in the context of franchising, and extends the research on reverse knowledge transfer from subsidiaries of multinational enterprises (Ingršt & Zámborský, 2021; Najafi-Tavani et al., 2012) to international franchising. Tables 4 and 5 (based on our findings) provides a detailed overview of how each franchise network achieves coercive and mimetic isomorphism, and the relevant implications.

<INSERT TABLE 4 HERE>

Coercive isomorphism

The results reveal that the factors which help in achieving coercive isomorphism are the knowledge-transfer-effectiveness influences on the relational enforcement of the power of contractual agreements, the reciprocal use and transfer of explicit knowledge during the knowledge-transfer-supervision process, and the inspection or utilization of the training system during the knowledge-transfer-monitoring process.

In an underdeveloped network, achieving coercive isomorphism would have a negative impact on the franchise network if either party attempted to enforce individual rights in the contractual agreement to demand either brand conformity, and the brand's "unique selling proposition" (A2-1) (at the franchisor end), or "adaptation to the market" (TM1) (at the franchisee end). This also leads to the franchisor setting their own rules and regulations for the franchisees to adapt, or vice versa. Such implementation of individual written rules, or any form of explicit knowledge, often makes the franchisor feel that the franchisee "has no respect for brand value" (A2-1) when the franchisee resists following the implementation plan, while the franchisee often deems the franchisor to be "not understanding at all" (TM1) and "not adapting to the country's market [context]" (TM2). Hence, franchisors tend to feel that the franchisee has a hidden agenda and "does not understand the brand" (A2-1), while the franchisee tends to feel that the franchisor "neglects [the] brand's growth and development in the market" (TM1, TM2) by not being "open-minded" (TM1). This also explains why inspection only arises when mistakes are detected.

Conversely, enforcement of the power of contractual agreements tends to be relational rather than individual for a developing network. For example, franchisors will only enforce their power in the contract if they think that the franchisees go overboard with prioritizing just short-term benefits, such as profitability, over brand value because "[the franchisor] tries to protect their brand, especially the signature" (B1-1). This is not because "[the franchisor] wants money from us, it's just [that] we can't meet their standard requirements" (TM2). And, vice versa, franchisees will only enforce their power in the contract when the franchisor only prioritizing brand presence and neglecting the franchisee's possible financial struggle when it comes to recovering initial costs of the investment: "whether we [the franchisees] can make money out of that investment or not" (TM1).

Moreover, as both teams attempt to compromise by taking each other's inputs and suggestions and transforming that explicit knowledge (often an individual team's or country-context's knowledge) into integrated activities, this encourages the franchisee to carefully explore alternatives for "expanding brand presence" (TM1, TM2) and the "development plan for our market" (A6-1). On the contrary, openness to exploration allows franchisors to learn and understand that not all plans are applicable in every country context: "[the franchisors] gave us a chance and opportunity to speak to them" (TM1). Inspections come with a regular monitoring system but with the intention to address potentially misunderstood written control guidelines or rules. With that, "they can secure the quality of service, the quality of product, and the quality of brand image towards the customer" (B1-1).

Lastly, partners in a developed network solely enforce the relational power of contractual agreements. It is evident that both franchisors and franchisees in this network often enforce their individual power in the written contract only when it comes to brand development, as demonstrated in this statement: “One of the criteria in our franchise agreement is to make sure that we open a certain number of stores within certain number of years” (TM1). Here, the nature of enforcing the contract refocuses on the holistic well-being of the brand “in order to guarantee the consistency in using their brand name” (TM2), and not what either party should demand as individual rights (as that becomes secondary).

Mature franchise relationships positively affect and benefit knowledge-transfer processes as both teams constantly transform and capitalize differences into value-added knowledge and experience such as sharing “success and failure stories” (A3-2). Lastly, monitoring processes usually include consistent and regular control systems for both quality and people’s development to ensure brand excellence. The franchisor also helps the franchisee in building a training system and training store, which they accredit and certify (A3-1, A3-2). This system contains a “training flowchart, training plan [and] training process, which are recorded in documents” (A3-2) as well as progress reports such as a “training-system audit” (A3-1). In a developed network, this is one way for the franchisor to achieve coercive isomorphism.

<INSERT TABLE 5 HERE>

Mimetic isomorphism

Results revealed that the factors leading to achieving mimetic isomorphism are the knowledge-transfer-effectiveness influences on the relational establishment of trust, credibility, and reliability of the franchise relationship; the reciprocal use and transfer of tacit knowledge during the knowledge-transfer-supervision process; and the control procedure during the knowledge-transfer-monitoring process.

In an underdeveloped network, the nature of the franchise relationship makes it challenging to build the required trust, credibility, and reliability; hence, achieving mimetic isomorphism is also impossible. These factors restrain both teams in communicating effectively because neither team is willing to adjust to the other's differences (TM1, TM2, A2-1). Thus, there is no venue for trust and credibility building. This also explains the nonexistent or limited transfer of tacit knowledge. Furthermore, control is almost nonexistent as the franchisor does not even bother to establish monitoring activities. With no consistent country visit, there is no platform to assess the brand's performance, let alone establish social ties or a partnership in the process. This makes the franchisee think "they are quite easy as a franchisor, they just wait and see and get that money" (TM1). With the lack of continuous support and both formal and informal communication, there are minimal formal relationships and nonexistent social relationships between the partners as "there's not much [guidance]" (A4-2).

Meanwhile, partners in a developing network make an ongoing effort and commitment to improving a franchise relationship, allowing for trust, credibility, and reliability to be built slowly over the course of time as "we see more involvement from them" (TM1) and "more help and support from them" (A6-1). A franchisee explained that "if you are confident with whatever you want to do, they will follow you. It's about the confidence with what we will be doing" (B1-1). Hence, compromise allows both teams to partially achieve mimetic isomorphism through integrated activities with the willingness to align goals and visions. This also eases the transfer of tacit knowledge. However, it is still limited at the first stage due to the fact that both partners are still focusing on sharing more necessary explicit knowledge. When it comes to control systems, the franchisor's commitment to conducting semiannual or annual country visits gives a platform that allows the building of formal relationships and social partnerships through providing "evaluation and feedback on sales performance" (A6-1) and core marketing activities as well as making a "compromise [for the] annual action plan" (TM2).

Lastly, team members of a developed network know each other's teamwork capabilities through their established formal and social relationships. Moreover, both teams have no challenge at all in integrating activities because they have established the same shared belief, which makes goal and vision alignment easy. For instance, both the franchisor and the franchisee in such a network fully achieve mimetic isomorphism by "copy[ing] and learn[ing] from [each other]" (A3-1) through establishing a conjoined decision-making style and aligned vision. Franchisee A3-2 commented on this issue: "They address all of our questions so we also look at the way they work, the way they talk and deal with problem solving whenever they face different situations in their operation."

Additionally, extensive transfer of tacit knowledge is a common part of franchise network routines. This makes imitating organizational activities, such as decision-making or problem-solving processes, common among partners. Meanwhile, the franchisor is also committed to conducting semiannual to quarterly country visits which allow the "sharing [of] success and failure stories from both parties' experiences" (A3-3, TM2). Franchisees are also invited to the franchisor's operations abroad for further training on "new development and innovation on product" (TM1), "people (such as management)" (A3-2, A5-2), "processes (such as the training process)" (A3-1) and "marketing process[es]" (A1-1, A5-1). With parallel control systems and established credibility, the franchisee is trusted to run their own control procedures. In cases where warnings need to be issued, the involved members are refreshed with training to avoid the repetition of such cases. This positively affects the morale of the franchisee's team members, allowing for both parties to fully achieve mimetic isomorphism.

Final research framework

The final research framework (see Figure 3) builds on, and further develops, the initial framework (see Figure 1) by presenting in more depth the links between knowledge transfer and institutional isomorphism. First, there is a classification of franchise networks and the corresponding knowledge-transfer spectrum on which they are plotted to explain how franchise relationships under each network practice different types of knowledge transfer. Franchise-network classification involves describing the characteristics of the relationship between the two key players in the network: the franchisor's individual characteristics, the franchisee's individual characteristics, and the influence of the characteristics on the relationship between them. The respective franchisor's and franchisee's characteristics take into account the specific and common factors found in the study's results: experience as a franchisor to Cambodia's market, or that of a similar market (Southeast Asian market), the presence of an international team, the quality of the team members' experience, and the training system.

Based on the data, the franchise networks are classified into underdeveloped, developing, and developed franchise networks. Each type of network dictates how knowledge transfer is practiced, as explained using the knowledge-transfer spectrum. This spectrum describes the continuum of knowledge-practices flow. As evidenced in the data, each franchise network has a different flow of knowledge-transfer practices. On the continuum, underdeveloped franchise networks fall under a confined knowledge-transfer flow, while developing franchise networks fall under a transitional franchise networks knowledge-transfer flow and developed networks fall under a broad knowledge-transfer flow. The double-ended arrow in Figure 3 explains the two-way effects of franchise networks and knowledge-transfer practices. This means franchise networks can dictate knowledge-transfer practices depending on the franchise relationship they currently have. Moreover, knowledge-transfer practices can affect the franchise relationship in franchise networks, if the franchisors or franchisees regress or progress along the knowledge-transfer spectrum.

Given the established franchise network in Cambodia, the results show how the influences of knowledge-transfer effectiveness, the knowledge-transfer-supervision process and the knowledge-transfer-monitoring process help to realize institutional isomorphism. The factors that lead to coercive isomorphism are the knowledge-transfer-effectiveness influences on the enforcement of the power of contractual agreements, the use and transfer of explicit knowledge during the knowledge-transfer-supervision process, and the inspection and utilization of a training auditing system during the knowledge-transfer-monitoring process. The factors that lead to mimetic isomorphism are the knowledge-transfer-effectiveness influences on the establishment of trust, credibility, and reliability; the use and transfer of tacit knowledge during the knowledge-transfer-supervision process; and the control procedure during the knowledge-transfer-monitoring process.

Drawing on the results from the data, the final research framework is developed to explain how franchisees and franchisors in each type of franchise network achieve institutional isomorphism, specifically coercive and mimetic isomorphism. The framework also explains implications, especially regarding relational isomorphism through reverse knowledge transfer (i.e., highlighting both the two-way relationship between franchise-network type and knowledge-transfer practices, and relational factors linked to achieving different types of isomorphism, namely relational power in coercive isomorphism and social ties and partnership in mimetic isomorphism).

<INSERT FIGURE 3 HERE>

Contributions and implications

Theoretical implications

Firstly, the study contributes to the international franchising literature by highlighting the importance of franchise networks and their classification (Brookes & Altinay, 2017; Doherty et al., 2014; Paswan & Wittmann, 2009). It initially introduces a classification of franchise networks, based on the data, to show that the type of franchise network (i.e., underdeveloped, developing and developed) is crucial in providing an in-depth understanding of the following:

knowledge-transfer practices, partner-specific characteristics and their influences on knowledge-transfer practices, and the implications of the realization of coercive and mimetic isomorphism. The classification of franchise networks is considerably new and underresearched. This study takes a step further by addressing the importance of both partners' capabilities in establishing the franchise relationship and, ultimately, in building a franchise network, going beyond the focus of extant studies on franchisors' capabilities of knowledge transfer (Kruesi & Zámborský, 2016; Moon et al., 2021).

Secondly, this study contributes to the international knowledge-transfer literature by providing comprehensive analysis of knowledge-transfer practices and the understudied research gap of reverse knowledge transfer in international franchising under each franchise network. This research examines the reciprocal aspect through which knowledge can be shared in reverse and how it can be transferred by either partner, i.e., the franchisor or the franchisee. Given the diverse results of previous studies on knowledge transfer in international franchising (Brookes & Altinay, 2017; Moon et al., 2021; Paswan & Wittmann, 2009), this research provides more clarity on the effects of partner-specific characteristics under each type of franchise network. Our classification explains why, on occasion, some partner-specific characteristics have positive effects, while some have negative effects on knowledge-transfer practices. Moreover, the unique country context of Cambodia revealed that cultural distance is an emerging variable that may affect knowledge-transfer effectiveness in international franchising.

Thirdly, the study contributes to the institutional isomorphism research by investigating how the realization of coercive and mimetic isomorphism is achieved and the implication of such achievement within each type of franchise network. It offers new insights, namely that institutional isomorphism can be achieved by both the franchisor and franchisee, or what we term relational isomorphism through reverse knowledge transfer. The concept of relational isomorphism stresses the role of the relational power of both partners in a franchise relationship, within each franchise network, as an aspect of coercive isomorphism. It also considers the roles of social ties and partnership in franchise networks as an aspect of mimetic isomorphism. Moreover, our framework explains how achieving isomorphism has a positive or negative impact on a franchise network. Finally, we show that the knowledge-transfer role can be reversed, and institutional isomorphism can be achieved and exerted by both franchisor and franchisee.

Overall, this study also provides more clarity on past literature through an integrated perspective on organizational learning and institutional theories with an application to knowledge transfer in international franchising. International knowledge transfer has been a well-researched topic in organization studies, and has been used to expand the ongoing efforts for an integrated theory of the firm. For example, Eapen and Krishnan (2019) focused on integrating the contractual view and knowledge-based capability perspectives on international-knowledge transfer. However, utilizing both organizational-learning perspective and institutional theory with a focus on relational effects and relational governance perspectives is of significant interest in management (Kostova & Roth, 2002), and it is an underresearched approach in explaining franchising decisions (Griessmair et al., 2014).

Managerial implications

Aside from providing insights for academics, this study offers insights to managers or members of franchise teams and organizations, especially for any franchisors or brands planning to enter and expand their franchising businesses in the food and beverage industry of Southeast Asian countries that have market and consumer preferences similar to Cambodia. Moreover, it also offers insights for franchisees or new investors who plan to bring international food and beverage brands into the Cambodian market. For brands or investors who plan on entering the Cambodian market through franchising as an international business-expansion mode, this study’s insights can be incorporated into an assessment of the potential outcome of such a strategy; that is, whether it is likely to be a success or failure. By understanding the extent of the possible risks and challenges within franchise networks, investors can establish their risk appetite for the brand in that market. Moreover, this study can serve as a guide for achieving a more positive outcome or success. The results of this study could also be applied to other countries that have a similar institutional environment and context to Cambodia, a country with no regulation on franchise businesses and with no national franchise association.

Furthermore, the results of this study can also offer insights to current franchisors and franchisees to improve their franchise relationship and advance brand growth and development. This study shows that it takes commitment and willingness to adapt to building mature franchise relationships and a stable franchise-network structure. Thus, capitalizing on relational franchise power over individual franchise power can further improve the franchise relationship and brand growth as well as development. Overall, based on the insights from this study, existing franchise networks can improve franchise relationships by establishing plans of action.

Limitations and future research directions

This study focuses on international food and beverage franchise brands in Cambodia. Hence, the results cannot be generalized with respect to franchise brands from other industry sectors due to differences in business operations. Moreover, Cambodia is still considerably young with respect to the franchising business; thus, there is a limitation as to the number of available cases for study, as brands are still protective of the standing of their brand’s performance. Furthermore, Cambodia has publicly limited or nonexistent statistical data about business activities and performance. All information and data were primarily gathered by the researchers with the consent and help of involved participants.

Regarding data limitations in studying Cambodia, some participants could possibly have barriers to sharing their perspectives on franchisor and franchisee capabilities or possible biases in their views of their respective franchise relationships. Hence, there is a limit to the extent of data openness in the country. Moreover, the results may not be generalizable for other Southeast Asian countries that do not have the same market characteristics and consumer preferences as Cambodia. Moreover, as this is one of the few franchising studies in Southeast Asia, it is recommended that other researchers explore country-context factors in other Southeast Asian countries to either provide supporting or contradictory empirical evidence to that found in this study.

Given the chance to study this topic in a country with a more open environment, future research could explore more factors under each research question. For instance, other researchers could develop a deeper and more comprehensive classification of franchise networks. Types of franchise networks are understudied, especially in relation to knowledge transfer and institutional isomorphism. Lastly, such research would be more comprehensive if future studies incorporated both the franchisor and franchisee perspectives through interviewing both teams' representatives.

Appendix

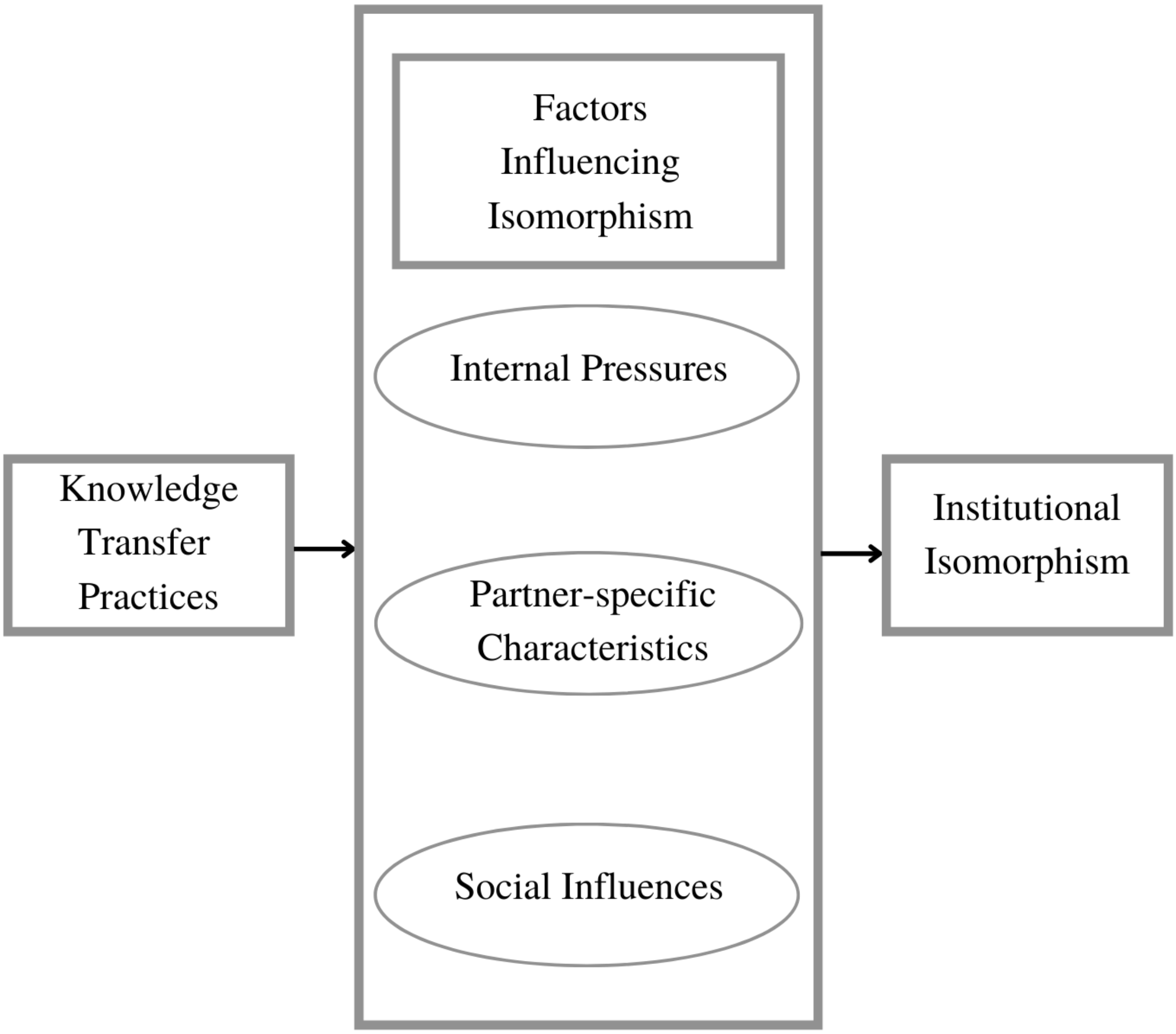

Figure 1. Initial framework based on literature

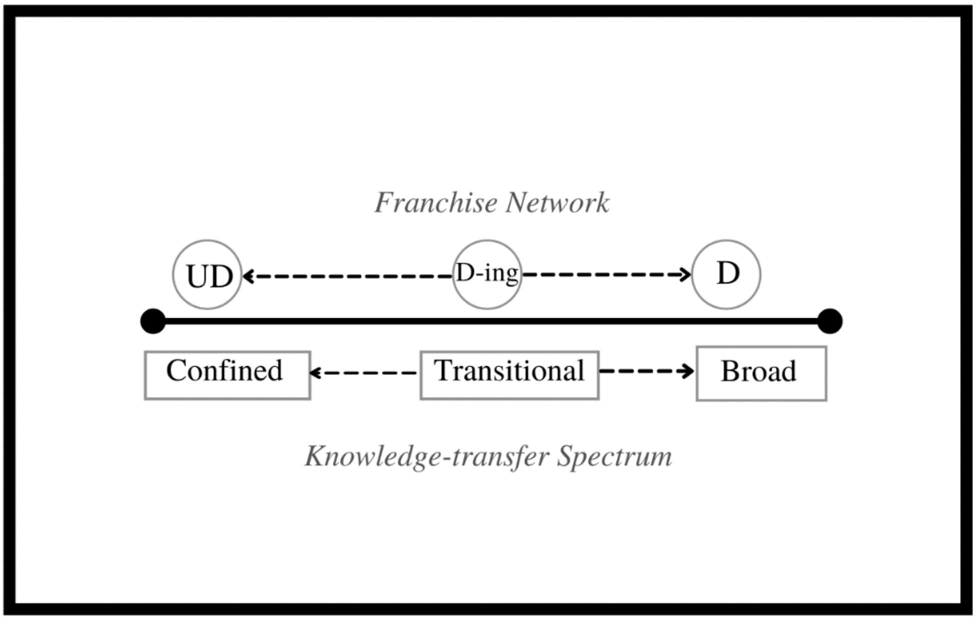

Figure 2. Franchise network (FN) points on the spectrum of knowledge transfer (KT)

Note: Underdeveloped (UD), Developing (D-ing), Developed (D). Underdeveloped franchise networks are weak franchise relationships between franchisee and franchisor. Developing franchise networks are adequate franchise relationships between franchisee and franchisor. Developed franchise networks are strong franchise relationships between franchisee and franchisor. These three types of networks (UD, D-ing, and D) correspond to the confined end of knowledge-transfer spectrum (characterized by limited and insufficient knowledge transfer), the transitional mid-point of the spectrum (characterized by adequate knowledge transfer), and the broad end of knowledge-transfer spectrum (characterized by extensive knowledge transfer) respectively.

Source: Concepts adapted from Brookes and Altinay (2017).

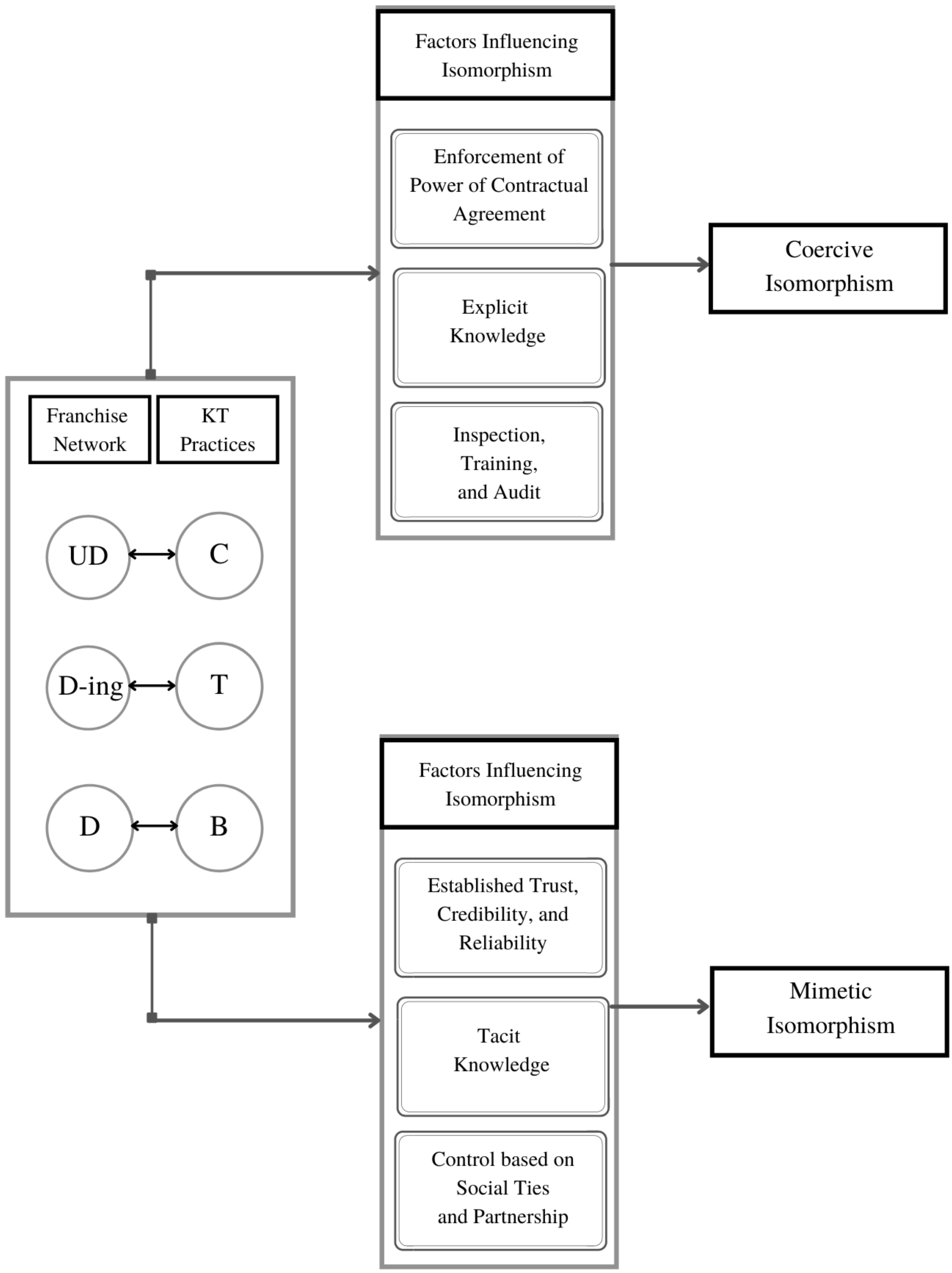

Figure 3. Final research framework

Note: Underdeveloped (UD), Developing (D-ing), Developed (D), Knowledge transfer (KT), Confined (C), Transitional (T), Broad (B).

Table 1. Research sample

Cases Selected	Brand	Franchise Origin	Research Interview Participants (15)		Franchise Network	KT Spectrum	Age of Brand (Years)	# of Branches
			Key Team Members	Top Management (TM)				
Company A	A1	Thailand	A1-1; A1-2	TM 1, TM 2	D	B	2+	5
	A2	USA (Former UK)	A2-1	TM 1	UD	C	7	Formerly 5, now 1
	A3	Thailand	A3-1; A3-2; A3-3	TM 1, TM 2	D	B	14	23 (3 more in progress)
	A4	USA	A4-1; A4-2	TM 1, TM 2	UD	C	3+	6
	A5	Canada	A5-1; A5-2	TM 1, TM 2	D	B	12	10
	A6	USA	A6-1	TM 1, TM 2	D-ing	T	9	13
Company B	B1	USA	B1-1	N/A	D-ing	B	5	10
Company C	C1	China	C1-1	N/A	D-ing	T	3	3
Total: 8 brands			13 interviews	2 interviews				

Notes: Underdeveloped (UD); Developing (D-ing); Developed (D); Confined (C); Broad (B); Transitional (T); Franchise network (FN); Knowledge transfer (KT)

Table 2. Profile of research participants

Research Interview Participants			Position	Tenure
Company	Brand	Participant		
Company A	A1	A1-1	Head of brand	6 months
		A1-2	Former head of brand	1.5+ years
	A2	A2-1	Head of brand	3+ years
	A3	A3-1	Head of brand	8+ years
		A3-2	Operations manager	8+ years
		A3-3	Marketing manager	5+ years
	A4	A4-1	Head of brand	2+ years
		A4-2	Marketing manager	4+ years
	A5	A5-1	Head of brand	2+ years
		A5-2	Marketing manager	1+ years
	A6	A6-1	Head of brand	5+ years
Company B	B1	B1-1	Country manager	3+ years
Company C	C1	C1-1	Country manager	2+ years

Table 3. Summary of factors constituting a franchise network

Franchise Network	Underdeveloped (UD)	Developing (D-ing)	Developed (D)
Franchisor (FO) and Franchisee (FE) Characteristics	• FO has "no international team" (TM2) • FO goes through "constant reorganization" (A4-1) • FE only has one or few members in the team "neither properly recruited or well-trained" (A2-1. A4-2)	• FO has "newly-developed international team and evolving" team (TM1, TM2) • FE key members are properly recruited, "well-trained" and "certified" for their responsibility (A6-1, C1-1)	• FO has "fully established international team" and high proven standing (TM1) • FE has "developed team member" as all appointed team members are trained and developed in all business functions regardless of responsibilities (A3-3)
Implication	Both team "lost track" (A2-1) of the brand's needs due to limited capabilities	Both teams put in effort to address difference in an attempt to cater to each other's needs (TM1, A6-1)	Both teams have clear vision for the brand and its best interest (TM1, TM2, A3-1, A3-2, A5-2)
Partner-Specific Characteristics	Unwillingness to address large and significant gap in organizational distance and cultural distance, and limited prior experience	Willingness to address significant but not large gap in organization distance and cultural distance, and substantial prior experience	Continuous effort to minimize and eliminate existing minimal gap in organizational distance and cultural distance, and members have a store of strong applicable and relatable experience
Implication	Poor franchise relationship due to irreconcilable differences	Improving franchise relationship due to willingness to adapt and address differences (TM1)	Mature and stable franchise relationship as both teams turn any differences into value-added knowledge transfer: "partners, teammates, mentor relationship" (A3-1) that "encompasses formal relationship" (TM1)
Knowledge-Transfer (KT) Practices	• Explicit and tacit knowledge shared only at first flagship store • Minimal, inconsistent, irregular ongoing support • Inspection over control "out of nowhere" only when problem arises (A2-1)	• Explicit and tacit knowledge shared only at first flagship store (A6-1, B1-1, C1-1) • Consistent and regular ongoing support in explicit knowledge transfer (A6-1, B1-1) • Balanced combination of inspection and control	• Explicit and tacit knowledge transfer from the birth of the brand until the ongoing operation • Continuous training and development through international conferences for all business functions • Control is done through monitoring process that's co-established by both teams (A3-1, A3-2)
Implication	Located at confined end of KT spectrum	Located at transitional point of KT spectrum	Located at broad end of KT spectrum

Table 4. Overview of coercive isomorphism under each franchise network

Institutional Isomorphism (II)	Factors Influencing Institutional Isomorphism (II)	**Franchise Network (FN) and its nature**		
		Underdeveloped (UD)	**Developing (D-ing)**	**Developed (D)**
		• Poor franchise relationship • Irreconcilable differences in partner-specific characteristic • Inconsistencies and irregularities in the knowledge-transfer processes	• Stable franchise relationship • Adjustable differences in partner-specific characteristics • Substantial and consistent knowledge-transfer process	• Established mature franchise relationship • Continuously minimized differences in partner-specific characteristics • Consistent and frequent knowledge-transfer processes
Coercive Isomorphism	Enforcement of Power of Contractual Agreement	Intensify enforcement of individual power rather the *relational power* in the written contract	Stabilize enforcement of individual power to an extent and encourage enforcement of *relational power* of contract	Capitalize enforcement of *relational power* of contract
	Transfer of Explicit Knowledge	Uncooperativeness leads to inconsistent, irregular, limited transfer of explicit knowledge	Motivation to address differences makes both teams work hard to share explicit knowledge	Valuing of differences creates abundant knowledge-sharing experience
	Inspection	Unaligned goals and activities lead to inconsistent inspection for faults; no training system	Understanding of shortcomings allows both teams to follow up each other as form of inspection	Inspections are mutually done in a centralized system
	Implication	Negative impact as there are not sufficient means to achieve coercive isomorphism or it is achieved with individual power	Positive impact as there are increasing means to achieve coercive isomorphism and it tends to be achieved with *relational power* rather than individual power	Positive impact as both partners enforce *relational power*

Table 5. Overview of mimetic isomorphism under each franchise network

Institutional Isomorphism (II)	Factors Influencing Institutional Isomorphism (II)	**Franchise Network (FN) and its nature**		
		Underdeveloped (UD)	**Developing (D-ing)**	**Developed (D)**
		• Poor franchise relationship • Irreconcilable differences in partner-specific characteristic • Inconsistencies and irregularities in the knowledge-transfer processes	• Stable franchise relationship • Adjustable differences in partner-specific characteristics • Substantial and consistent knowledge-transfer process	• Established mature franchise relationship • Continuously minimized differences in partner-specific characteristics • Consistent and frequent knowledge-transfer processes
Mimetic Isomorphism	Establishment of Trust, Credibility and Reliability	Failure to accept and adapt to partner differences limits venues for establishment of trust and reliability	Ongoing effort to compromise leads to trust building	Proven record of trust, credibility and reliability
	Transfer of Tacit Knowledge	Limited to nonexistent transfer of tacit knowledge as both have their own way of business	Open-mindedness to address differences encourages transfer of tacit knowledge	Transfer of tacit knowledge is broad
	Control System	Lack of control system and training system	Control system is settled by franchisor for franchisee, training system is handled by franchisee	Co-establishment of control and training system as effort to refresh trainings for shortcomings as preventive control
	Implication	Negative impact as there are not enough means for mimetic isomorphism to be achieved, lack of *social ties and partnership*	Positive impact as mimetic isomorphism can be partially achieved to establish *social ties and partnership*	Positive impact as mimetic isomorphism is fully achieved with established and long-standing *social ties and partnership*

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