

ABSTRACT

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The goal of this study is to deepen the understanding of the factors that affect intrafirm cooperation in an international setting. Current literature covers the drivers of insourcing activities from transaction cost economics and organizational buying behavior perspectives but the lack of research considering the reactions of a company's personnel toward captive offshoring and the factors that affect them poses an obvious research gap. This study draws from social psychology as it investigates the factors influencing the behavior of the employees utilizing the theory of planned behavior and attribution theory.

The empirical part of this study consists of ten semi-structured interviews with the Finnish employees of the case company holding varying positions on different levels within the organization. A cross-case analysis of the interviews revealed that a concern regarding the stability of the Finnish employees' positions exists due to a fear of shifting the jobs offshore. However, the employees in the offshore units were regarded as hardworking, pleasant, and skillful. Biggest issues hindering the cooperation were communication, differing cultures, and lack of clear procedure. The study sheds light on the phenomenon by revealing the reactions that employees in a multinational corporation have towards captive offshoring. Furthermore, the findings suggest that internal marketing and coordination is extremely important to enhance intrafirm international cooperation.

TIIVISTELMÄ

Tekijä	Eero Vähämöttönen
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Tämän tutkimuksen tavoitteena on syventää ymmärrystä yrityksen sisäiseen yhteistyöhön vaikuttavien tekijöiden merkityksestä kansainvälisessä asetelmassa. Ajankohtainen kirjallisuus käsittelee kotiuttamistoimintoihin vaikuttavia ajureita transaktiokustannusten taloustieteen sekä organisatorisen ostokäyttäytymisen näkökulmista, mutta yrityksen henkilöstön suhtautumiseen kytkökseen perustuvaa ulkomaan alihankintaa kohtaan liittyvän kirjallisuuden puutos luo ilmeisen tutkimusaukon. Tässä tutkimuksessa hyödynnetään suunnitellun käyttäytymisen teoriaa sekä attribuutioteoriaa yrityksen henkilöstön käyttäytymiseen vaikuttavien tekijöiden selvittämisessä.

Tutkimuksen empiriaosuus koostuu kymmenestä puolistrukturoidusta haastattelusta, joiden kohteena olivat kansainvälisen konsulttiyrityksen eri nimikkeillä ja tasoilla työskentelevät suomalaiset työntekijät. Vertailevan tapaustutkimuksen (engl. cross-case analysis) tulokset paljastivat henkilöstön keskuudessa olevan huoli töiden jatkuvuudesta kotiuttamispelkojen johdosta. Ulkomaisten yksiköiden henkilöstöä pidettiin kuitenkin ahkerina, mukavina sekä taitavina. Tutkimus valottaa ilmiötä paljastamalla monikansallisen yrityksen henkilöstön kotiuttamiseen liittyviä reaktioita. Tulokset viittaavat lisäksi, että sisäinen markkinointi ja ohjaus ovat erittäin tärkeitä yrityksen sisäisen kansainvälisen yhteistyön edistämisen kannalta.

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Helsinki, May 21st, 2021

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1. INTRODUCTION

This chapter lays the foundation and serves as the introduction for this thesis. First, the background is introduced, and the research gap is identified. The literature review summarizes the relevant previous research conducted in the field of behavioral economics as well as conventional economics and social psychology. Next, definitions of key concepts frequently appearing in this thesis are given, followed by the presentation of the research questions and objectives built on the identified research gap. The two theoretical frameworks utilized in this thesis will be expounded upon next. Finally, the research methodology employed in this thesis along with its delimitations and the structure of the study are elaborated on.

1.1. Background of the study

Over the last few decades, globalization has made organizations increasingly shift their manufacturing and services from onsite production to international sourcing namely to reduce labor costs and increase product quality through accessing a partner's capabilities (Mazzola & Perrone, 2013). Companies engaging in offshoring activities leverage resources from different countries (Šmite, Wohlin, Aurum, Jabangwe & Numminen, 2013), nearshore and offshore (Carmel & Abbott, 2007; Jahns, Hartmann & Bals, 2006), either from external operators by outsourcing or captively within the company through insourcing. However, organizations have started reshoring their value-chain activities due to increasing labor costs in typical low-cost countries, (Tate & Bals, 2017) and greater supply chain risk (Christopher & Holweg, 2011).

Foerstl, Kirchoff, and Bals (2016) examined the underlying drivers of reshoring and insourcing from the transaction cost economics and organizational buying behavior theories' perspectives. The transactional drivers include for example unpredictability in the marketplace (Milliken, 1987), institutional changes (Ellram, Tate & Petersen, 2013; Gray, Skowronski, Esenduran & Rungtusanatham, 2013; Tate, 2014; Tate, Ellram, Bals & Hartmann, 2009), and task uncertainty (Manuj & Mentzer, 2008) while the behavioral drivers involve factors related to the bounded rationality that humans possess, such as the inability to predict performance outcomes (Fredriksson & Jonsson, 2009; Tate et al., 2009), decision-making biases (Barthélemy, 2003),

changes in managerial valuation (Tate, 2014), and complications in the transfer of knowledge (Gulbrandsen, Sandvik & Haugland, 2009; Winter, 1998).

Ajzen (1991) developed The Theory of Planned Behavior (TPB) to shed light into the information assessment behind behavioral patterns of individuals. TPB is a derivation based on the theory of reasoned action (Ajzen & Fishbein, 1980) that attempts to understand and predict an individual's behavior given the assumption that behavior is determined by the individual's behavioral intentions, and in some cases perceived behavioral control (Ajzen, 2002). A prevalent assumption of TPB similar to other cognitive decision-making models is that individuals make rational decisions based on the assessment of information available to them (Ajzen, 1991). TPB has been utilized in many different fields and contexts, such as organizational change management (Jimmieson, Peach & White, 2008), green tourism (Garay, Font & Corrons, 2018; Han, 2015; Wang, Wang, Wang, Li, Zhao, 2018; Wang, Zhang, Xiao, Sun, Xiao & Shi, 2020), energy conserving behavior (Chen, 2016; Gao, Wang, Li & Li, 2017), environment and recycling (Oreg & Katz-Gerro, 2006), and sustainable consumerism (Soorani & Ahmadvand, 2019; Tan, Ooi & Goh, 2017) to mention a few. TPB and its key assumptions are further elaborated in chapter three.

Intergroup relationships affect the attitudes and behavior of individuals within the organization, and these relationships have been studied most dominantly from the social identity perspective (Capozza & Brown, 2000). The persistent hypothesis that the prejudice and hostility between the conflicting groups can be reduced through their interaction (Brown, Vivian & Hewstone, 1999) is found to be likely only if the interaction happens between groups of equal status and shared goals, and institutional support for closer cooperation exists for the groups in concern (Amir, 1969; Pettigrew, 1971).

Organizational phenomena have been studied from the social psychology perspective for years. The seminal work on attribution theory by Heider (1958) has been applied in research interested in understanding a wide range of organizational phenomena (see Harvey, Madison, Martinko, Crook & Crook, 2014). The underlying premise of Heider's work is that people act as "naïve psychologists" while developing causal explanations for important events (Martinko, 1995).

Attribution theory has also been applied to explain how responsibility and blame are assigned within the organization after a negative event (Fincham & Jaspars, 1980; Heider, 1958; Lagnado & Channon, 2008; Shaver, 1985; Weiner, 1995). The next chapters dig deeper into attribution theory and its most important variations. TPB and its implications will also be elaborated after attribution theory.

Behavioral economics accepts cognitive biases in human behavior. These biases can prove to be either beneficial in some circumstances or detrimental in others (Tversky & Kahneman, 1974). While conventional economics models offer immaculate simplicity and are therefore useful, a better explanation of the behavior of individuals in non-market situations can be provided with the behavioral models (Mueller, 2004). Following the definition by Camerer & Loewenstein (2004), “behavioral economics increases the explanatory power of economics by providing it with more realistic psychological foundations”. These cognitive biases are used to explain the decision-making of humans when they process information, and they can affect human behaviors and attitudes towards the organization’s sourcing strategies.

While there have been several studies concentrating on sourcing strategies, especially regarding the decision whether or not to outsource (Šmite, Wohlin, Gorschek & Feldt, 2009; Tanvriverti, Konana & Ge, 2007), a systematic literature review by Prikladnicki, Audy and Shull (2010) concluded that research on insourcing is still lacking. Some behavioral drivers have been identified behind the decision to insource (Foerstl, Kirchoff & Bals, 2016) but the behavior and attitudes of an organization’s employees regarding captive offshoring is yet to be researched by psychologists as well as behavioral economists. Furthermore, sourcing remains an important topic to be researched due to the market growing bigger (Lacity, Khan & Yan, 2017, 499-651).

This master’s thesis addresses the research gap by trying to understand the role that attitudes and experiences toward insourcing play within the organization’s employees, thus contributing to behavioral economics literature. Human capital is widely known to be important to the success of a firm (e.g., Vijay, Yama, Charmi, 2019), therefore keeping employee turnover low is key. These circumstances make further research in the field necessary. Understanding the employees’ position helps the management inform the employees about the better outcome

captive offshoring can provide, thus increasing job satisfaction, one of the primary determinants for job performance (Fishbein & Ajzen, 2010).

1.2 Definitions of the key concepts

The concepts frequently appearing on this thesis are elaborated in this chapter. First, outsourcing and insourcing, also known as “make or buy” decisions (Welch & Nayak, 1992), are introduced. Afterwards, the locational decisions of sourcing, offshoring and reshoring, are discussed.

Outsourcing

Commonly known as the “buy” decision; Quélin and Duhamel (2003) define outsourcing as “the operation of shifting a transaction previously governed internally to an external supplier through a long-term contract and involving the transfer of staff to the vendor”. Despite outsourcing typically being considered as a means of lowering costs, however, Lacity and Hirscheim (1993) note that if outsourcing were merely concerned with reducing the cost of performing the same tasks, internal reorganization could be more efficient a means to reach that goal. Indeed, outsourcing involves a larger number of highly value-adding functions (Quinn & Hilmer, 1994), as long as most firms in the industry do not engage in outsourcing activities, since they would otherwise utilize the same business model (Porter, 1996).

Insourcing

Cabral, Quelin, and Maia (2013) define insourcing as “the decision to reincorporate an outsourced activity within a company that had formerly been transferred to an external supplier”, and it widely regarded as the “make” decision. In exchange for additional internal labor to maintain the organization’s operational needs, insourcing strengthens the organization’s hierarchical control over the essential processes and competencies (Sikula, Kim, Braun & Sikula, 2010).

Offshoring

Purchasing and supply management literature lacks a comprehensive definition for offshoring as many researchers refer to a multitude of different scenarios. Jahns et al. (2006) note that offshoring is not exclusively limited to external offshoring but includes internal offshoring. Internal offshoring, or “captive offshoring”, can be further divided into captive nearshoring and captive offshoring, which involve conducting the activities internally within an affiliated organization in nearshore and offshore markets, for example an international subsidiary (Tate & Bals, 2017; Jahns et al., 2006).

Reshoring

Reshoring refers to the practice of relocating a firm’s operations back from a foreign country into the country of its headquarters, thus it focuses on the location of the value creation tasks (Gray et al., 2013). According to Cabral et al. (2013), the reasons to reintegrate can be attributed to two main changes: changes regarding the institutional environment, and changes in the competitive landscape. Although reshoring and insourcing are closely related and sometimes even intertwined in hybrid reshoring (e.g., Theyel, Hoffmann & Gregory, 2018), and they could prove interesting topics to be researched as well, this master’s thesis will focus on captive offshoring and its implications.

Attribution

The interpretive cognitive process by which people make causal judgements about the behavior of others and that of their own is called attribution (Heider, 1958). The attribution process is biased more often than not, thus Heider (1958) identified certain errors in attributions that people are prone to. A complete list of biases and errors in attribution does not exist although many researchers have made contributions to the list (e.g., Kelley, 1967; Ross, 1977; Jones & Nisbet, 1972; Gilbert & Jones, 1986; Jones, 1979).

1.3 Research questions and objectives

This study aims to identify the attitudes and behavior of the employees towards insourcing in B2B consulting context. As a result of evolution in intense intergroup competition, humans

today still possess tribal traits such as group loyalty and concomitant cognitive biases (Clark, Liu, Winegard & Ditto, 2019). These traits negatively impact organizational cohesion resulting in suboptimal behavior within the organization. Identifying the factors negatively affecting the behavior of employees helps management communicate the benefits the organization seeks through its supply chain design.

Behavioral economics literature challenges the conventional economics assumptions about the purely rational consumer. It entails that people make decisions with limited amount of information, rely on a small number of heuristic principles, and cannot always ascertain the future consequences of decisions (Kahneman, Slovic & Tversky, 1982). However, behavioral economics lacks comprehensive literature, and this thesis contributes to the literature about the role of human behavior in organizations. The study aims to shed light on the gap in literature by finding answers to the way in which employees react toward captive offshoring, the role of conscious and sub-conscious factors in the formation of the reactions, and the thought process behind the performance of the reactions. Understanding the reactions and the factors that influence them helps the company identify ways to enhance intrafirm cooperation between its international business units, thus enhancing organizational culture allowing a more open atmosphere for innovation and development.

The aim of this thesis is mainly to generate useful and valuable information to the case company, since the thesis is conducted as a commission. The research takes employees point of view under consideration, and the information generated can be utilized by the management of the case company. The results of the study should shed light on existing behaviors and attitudes of the employees, and help the managers recognize the behavioral patterns more clearly while being able to enhance the cooperation of different business units and individuals within the company through interaction.

The main research question founded on these objectives is formed as follows:

What is the role of beliefs, attributions, and emotions in the reactions of an international company's personnel towards captive offshoring?

To complement and further elaborate the main research question, three sub-questions are composed:

SQ1: What beliefs do the personnel hold about captive offshoring?

SQ2: Which kinds of inferences do the employees make about the personnel of the firm's international business units?

SQ3: How do the organization's employees react towards captive offshoring?

1.4 Theoretical framework

This thesis employs two distinct frameworks to describe the two underlying concepts present in this study. Both of the frameworks introduced in the subchapters are elaborated more thoroughly beginning with the utilization of the theory of planned behavior and adding emotions to Ajzen's (1991) seminal framework, followed by the description of attributions in the Finnish business landscape of civic engineering consulting.

1.4.1 Theory of planned behavior framework

A general agreement that attitudes are not innate but acquired exists among social psychologists (Ajzen & Cote, 2008). According to Ajzen and Cote (2008), social background together with experiences are a powerful tool that shape one's evaluative dispositions. Beliefs that involve the notion, for example, that foreign people are not as capable at a given job, or that men are more suited for leadership may result from a variety of reasons including the acceptance of an outside source, such as newspapers, friends or the internet, direct observations, or self-generation through myriad inference processes. Beliefs affect behavior vicariously through the determinants that affect intention, which in turn is the most proximal determinant of behavior (Jimmieson et al., 2008). However, favorable intentions alone are insufficient in the successful performance of a behavior and it requires sufficient level of behavioral control as well (Ajzen, 1991).

The TPB framework utilized in this thesis was introduced by Ajzen (1991) and it was built on the theory of reasoned action (Ajzen & Fishbein, 1980). TPB has since seen many applications in literature across various fields of study. While TPB has proven a great tool for predicting behavior it does not address the role of emotions in interpersonal communication. According to Reis and Collins (2004), emotions are expressed in social interaction. Thus, they have important interpersonal effects (Van Kleef, 2009). Due to its importance, the TPB framework is extended to include emotions as illustrated in figure 1 below.

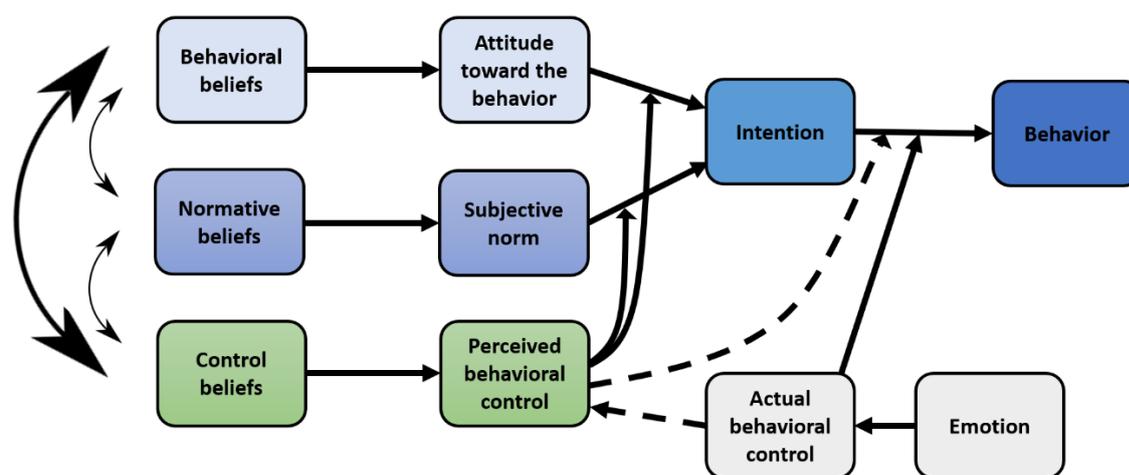


Figure 1. Theory of planned behavior framework (Adapted from Ajzen, 2019)

According to the model, intentions are a function of three independent determinants: the person's attitude towards the performance of the behavior, the subjective norm towards the behavior, and perceived behavioral control. The first determinant, attitude toward the behavior, can be either negative or positive and it is in turn determined by a set of behavioral beliefs that link the behavior to various outcomes and experiences. The second determinant refers to the social pressure to either engage or refrain from a behavior. Perceived behavioral control refers to the extent to which people perceive they possess the ability to perform a behavior. (Ajzen, 1991). The extended TPB framework suggests that emotions influence the behavior indirectly via the person's actual control over the performance of the behavior. This suggestion is supported by the argument by Baumeister, Vohs, DeWall and Zhang (2007) that emotions function as a "feedback system whose influence on behavior is typically indirect".

1.4.2 Attribution theory framework

This thesis focuses not only on the employees' beliefs of cause and effect, that is attributions, but also on the consequences of these beliefs. While the reasons behind the employees' behavior is certainly interesting in the context of international cooperation, it would be equally beneficial to learn the implications and effects that the behavior causes. Where the reasons are of concern, this thesis utilizes the findings of the founding fathers of attribution theory, Heider (1958) and Kelley (1967), while Weiner's (1979) attributional theory is applied in the identification of consequences. This process of the identification of the antecedents leading to attributions that further lead to certain consequences in the project landscape forms the second framework employed in this thesis. The second framework employed in this thesis is shown in figure 2.

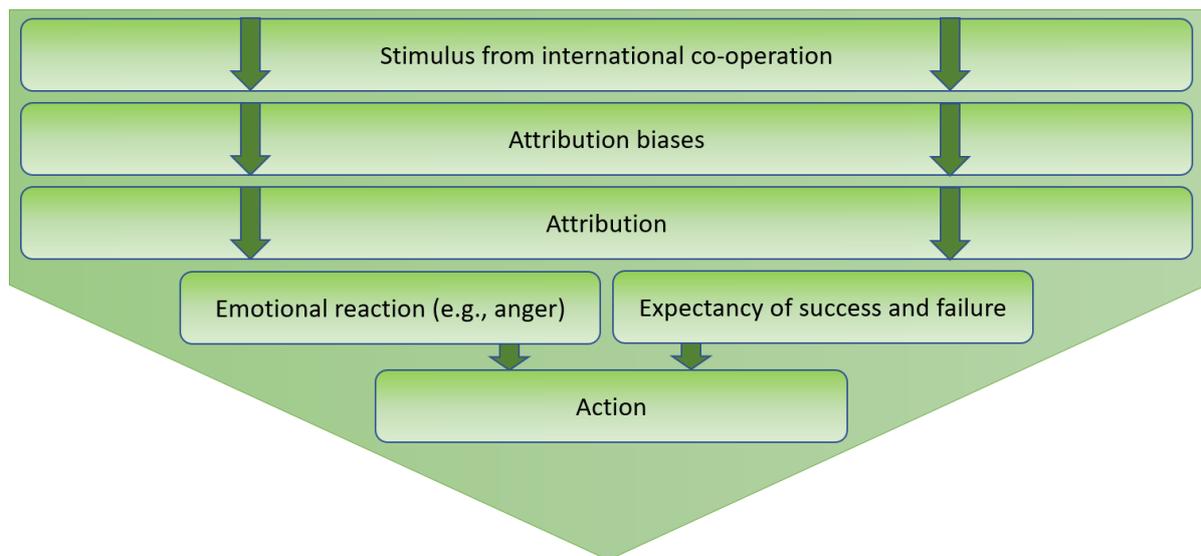


Figure 2. The attributional process (Adapted from Weiner, 1992)

The attribution process begins with the stimulus that the antecedents, such as locus of causality (Heider, 1958) and covariation information (Kelley, 1967) in international cooperation cause. As further elaborated in chapter two, the antecedents lead to attributions as seen through the biased lens formed by the errors of attribution (Heider, 1958). The attributions are responded to with an emotional reaction, and they influence the future expectations of success and failure

(Weiner, 1979). Furthermore, according to Weiner (1979), the nature of the reaction to the attribution is determined through the causal dimensions of stability, locus, and controllability.

1.5 Research methodology and delimitations

This study employs qualitative methodology to identify, interpret and describe the phenomenon (Laine, 2018), that is the employees' reaction towards captive offshoring, the rationale behind these reactions, and other themes around the topic. Human behavior in different context have been studied to some degree but the context of captive offshoring has been left unstudied, and it fascinating and important to study this presumably long-standing phenomenon.

The focus of this thesis is solely on the Finnish subsidiary of the international case company WSP Global Inc. Due to limited amounts of resources and time available the empirical research cannot be extended to cover other countries. Furthermore, the data gathered through qualitative research is per se subjective, and the researcher decides on the research setting according to his understanding (Tuomi & Sarajärvi, 2018). These circumstances make the generalization of the findings of this study hard. However, the purpose of the case study conducted in this thesis is not to generalize the findings emerging from the interviews, but rather to shed light on the phenomenon that is not extensively researched (Eisenhardt, 1989).

1.6 Structure of the study

This thesis can essentially be divided into two distinct parts. The first part focuses on the theoretical side of the study starting with the introduction to the study and the research questions, literature review, and theoretical framework, followed by a more thorough description of the most relevant theories forming the theoretical framework. These theories include attribution theory and the theory of planned behavior, which are extensively elaborated in chapters two and three, respectively. The purpose of chapters two and three together with the empirical part of the study is to help answer the research questions.

The empirical part of the study begins with further specification of the background of the study, and the presentation of the case company giving the commission. Then, the research design and method are explained and justified in chapter four. The results of the study are shown and analyzed in the next chapter through the theoretical framework. The final chapter concludes the study with the summary of the key findings, theoretical contribution, managerial implications, limitations of the study, and the proposal for future research directions.

2. BEHAVIORAL ECONOMICS THEORIES

The main theories utilized in this thesis are presented in this chapter and it serves as the literature review of the thesis. The theories chosen for this study are the attribution theory and the theory of planned behavior, respectively. Both of the theories concern social psychology, but they have been utilized in many different fields of research including behavioral economics. The order of presentation does not represent the applicability or importance of either theory.

2.1 Attribution theory

In an attempt to explain human behavior, attribution theory plays a key role in essence due to the reliability of data generated by it and the fact that it accepts interrelated concepts such as emotions, behaviors, and cognition (Weiner, 2019). As previously stated, human beings are continuously trying to explain the events they encounter (Hewett, Shantz, Mundy & Alfes, 2018). Why was I not chosen for this project? Why was another person chosen instead? Why does the firm I work for have to rely on offshore workforce? Although Heider's (1958) seminal work induced many researchers in the field of social psychology to develop the original attribution theory further into multiple different, complementary, and occasionally overlapping theories of attribution (Hewett et al., 2018), this study includes the theories of Heider, Kelley (1967, 1973) and Weiner (1979) because of their potential for explaining workplace behaviors (Martinko, Harvey & Dasborough, 2010). Set off by the research on attribution theory, causal chains are also briefly introduced due to the numerous studies where causal chains play a key role.

Kelley introduced the covariation principle in his version of attribution theory that explains how individuals infer causes about other people's behaviors and events. Weiner, in turn, studied attributions in specific contexts, such as helping and achievement, and his model is frequently referred to as attributional theory (Fiske & Taylor, 1991). Attributional theories differ from attribution theories in that they are more interested in the consequences of the attribution rather than the antecedents leading to the attributions (Kelley & Michela, 1980). Figure 1 illustrates this distinction between the two types of research.

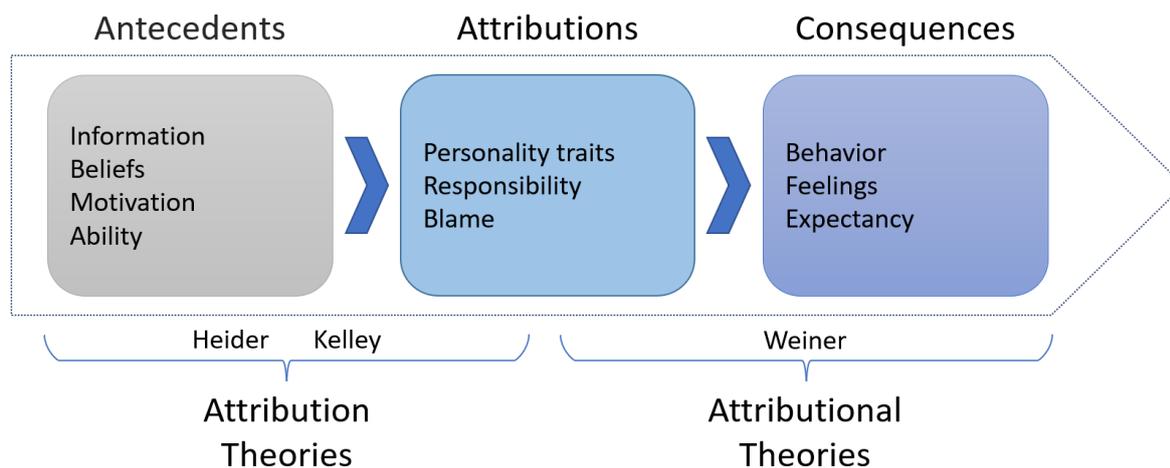


Figure 3. Researchers in the general model of the attribution field (Adapted from Kelley & Michela, 1980)

Attribution research examines the antecedents, that is the factors that lead to the attributions given to other people made by the observer in different situations. People primarily utilize the readily available information to form fairness perceptions (van den Bos, Lind, Vermunt & Wilke, 1997), and the covariation model discussed later in this chapter is used to further specify the types of such information. (Kelley & Michela, 1980) Motivation and ability form the internal locus of causality (Heider, 1958) and they also play an important role in the attribution process.

On the other hand, attributional research is more concerned with the consequences following the attributions. While attribution researchers' focus is on cognitive processes, the focus of attributional researchers is on the dynamics of behavior (Kelley & Michela, 1980). Following the findings of the study conducted by Thibaut and Riecken (1955), compliance attributed to internal factors resulted in the subject crediting the person with positive attitudes and personality traits, and these qualities make the subject like that person. Henceforth, the term attribution theory is used in referring to both attribution and attributional theories.

Attribution research has mainly been conducted within social psychology, and within those boundaries it has been widely utilized. The primary focus of the research has been in the perceived causes of other people's behavior (Kelley & Michela, 1980). The following table

summarizes some of the most important contributions to attribution theory by the various researchers of the 19th century. Different kinds of contributions from various researchers to attribution theory have been illustrated in table 1 below.

Table 1. Contributions to attribution theory from various researchers

Researcher(s)	Year	Contributions to attribution theory
Heider	1958	Naïve psychologists, locus of causality (internal and external), fundamental attribution error, actor-observer effect, self-serving bias
Kelley	1967	Multiple instances of the same behavior or event, covariation principle (distinctiveness, consensus, consistency)
Weiner	1979	Dynamic model, in which attributions change over time depending on the situation, controllability of future events
Jones & Davis	1965	Salience of effects of action influencing dispositional attributes, informativeness of in-role and out-of-role behavior
Jones & Nisbett	1971	Cognitive forces compel actors to attribute their behavior to the environment, whereas observers attribute that behavior to the actor's characteristics
Abramson, Seligman & Teasdale	1978	Reformulation of learned helplessness hypothesis based on attribution theory; people attribute helplessness to a cause
Diener & Dweck	1978	Analysis of learned helplessness, attributions following failure, mastery-orientation vs. helplessness, remedies for failure vs. cause of failure
Ross	1977	Sources of bias in understanding, prediction, and control; shortcoming; attributional biases

Many researchers in addition to Kelley and Weiner have contributed to the development of attribution theory. Jones and Davis (1965) noted in their paper that not every effect of action is equally salient in the inference process of dispositional attributions. When a person fails to produce certain effects, the perceiver determines whether the actor was capable of producing

these effects, or whether they merely refused to do so. The distinctiveness of the effects and the level of representation of stereotypical cultural values determine the practicability of information. Together with another one of his colleagues, Jones and Nisbett (1971) argued in their paper that actors tend to attribute their actions to the environment, while observers commonly attribute said actions to the actor's characteristics.

Attribution theory has also been applied in a reformulation of the famous hypothesis of learned helplessness (Abramson, Seligman & Teasdale, 1978), a state in which the actor loses the ability to regain control after exposure to uncontrollable outcomes, originally documented by Seligman and Maier (Seligman & Maier, 1967; Teodorescu & Erev, 2014). To resolve some inadequacies, Abramson et al. (1978) argue in their reformulation that helplessness is attributed to a cause, stable or unstable, global or specific, and internal or external, when people do not perceive contingency in outcomes. Based on the attribution, the expectation of future helplessness can be acute or chronic, narrow or broad, and it may or may not lower self-esteem. Learned helplessness hypothesis has also been analyzed through the lens of attribution theory by Diener and Dweck (1978) in their paper, that explored how children with different orientations react towards failure. Helpless children attributed lack of ability to failure whereas mastery-oriented children were found to engage in self-monitoring and self-instructions to find remedies for failure.

The following subchapters are divided into the three chosen attribution theories starting with Heider's attribution theory because the subsequent theories by Kelley (1967) and Weiner (1979) have been built on Heider's work. The different attribution theories are presented in chronological order after Heider's theory.

2.1.1 Heider's attribution theory

Attributions are what Heider (1958) described as the result of people's beliefs of cause and effect that follow their cognitive processes. Furthermore, attributions are individuals' inferences of personality traits, and judgements of responsibility and blame (Heider, 1958; Malle, 2001). These processes work to make people able to solve problems and work in a more

efficacious manner with their environments (Martinko, Harvey & Douglas, 2007). With respect to Heider's work, and his portrayal of people making decisions as "naive psychologists" (Heider, 1958), Martinko et al. (2007) define attribution as "a causal ascription for a positive or negative outcome". The naivety that Heider mentions refers to lack of conceptualization, analysis, or testing in the process of arriving at an explanation. People arrive at explanations in a similar way that scientists do; in a manner that is fairly logical and analytical (Hewett et al., 2018).

Heider (1958) argued that perceived causality affects how different people respond and behave in the same situation. Each communication event and behavior are effects that have a cause, and the attribution given to the cause likely affects its meaning, which in turn influences the response and behavior of the observer (Heider, 1958; Manusov & Spitzberg, 2008). For instance, an employee might react negatively towards captive offshoring if they give a negative attribution to the cause: "The firm is dissatisfied with my ability to complete the project, therefore they choose to insource the project to the offshore business unit's employees." Heider described the perceived causality theory through several propositions of which the following three are perhaps the most influential (Hewett et al., 2018).

The first principle concerns the locus of causality that distinguishes whether actions are related to personal causes, or they are a result of the environment, or both (Heider, 1958). Internal locus is further divided into motivation and ability. For example, an employee on a certain project might be replaced with another employee due to his lack of ability or motivation to carry out the project. These factors are often insufficient and situational factors are also taken into consideration. For instance, the high compensation levels in the Finnish labor markets in addition to the lack of ability of the employee makes the replacement a combination of internal and external locus. Rotter (1966) introduced the concept of locus of control that has distinct similarities in juxtaposition with locus of causality. Locus of control is a persistent trait (Martinko et al., 2007) that refers to individuals' beliefs regarding the extent to which outcomes result from internal or external factors while locus of causality refers to the determinants of actions (Spector, 1982; Turban, Tan, Brown & Sheldon, 2007).

People are subject to various “errors of attribution” while making causal inferences, which Heider (1958) identified in his second proposition. Attributions made by the observers about the actions of an individual are often linked to dispositional factors: “My offshore co-workers failed to meet the deadline because they are incapable of keeping to the schedule”. This error of attribution has various different labels depending on the researcher: the fundamental attribution error (Ross, 1977), the actor-observer effect (Jones & Nisbett 1972), the correspondence bias (Gilbert & Jones, 1986; Gilbert & Malone, 1995), and the overattribution effect (Jones, 1979; Tetlock, 1985), and the findings have proven extremely reliable (Hansen, Kimble & Biers, 2001). In contrast, actors tend to attribute their own actions to situational factors (Jones & Nisbett, 1972), for example: “We were unable to keep to the schedule due to the client’s constantly changing demands”.

The third tenet of Heider (1958), the self-serving bias, refers to an individuals’ attributions about themselves in situations of success and failure. Success is often attributed to dispositional and internal factors whereas failure is often linked to external factors (Miller & Ross, 1975). Miller and Ross (1975) also argue that the self-enhancing effect may not be caused by motivational distortion, but instead a combination of people’s tendency to 1) link success to behavior, 2) give more weight to the link between outcomes and behavior in the case of increasing the odds success as opposed to the case of continuous failure, 3) misinterpret the sense of contingency. Based on the classic instinctive and deliberate information processing theories (Kahneman & Treisman, 1984; Schneider & Shiffrin, 1977), Krusemark, Campbell, and Clementz (2008) conducted an experiment where they measured the neural activity of the test subjects participating in facial working memory task. Non-self-serving attributions were found to require greater cognitive control.

2.1.2 Kelley’s attribution theory

In late 1960s through the 1970s, Kelley (1967, 1973) wrote several papers about how people perceive causation in other people’s behavior or certain events (Kelley & Michela, 1980). Kelley proposed the covariation principle as the key mechanism that people employ to arrive at causal attributions. According to the covariation model, “the effect is attributed to that condition which is present when the effect is present and which is absent when the effect is

absent” (Kelley, 1967, p. 194). Kelley proposed three types of covariation information that determine whether the behavior of a person is attributed to internal or external factors: distinctiveness, consensus, and consistency.

Distinctiveness refers to the manner in which a person behaves in similar circumstances. For instance, if an employee acts nicely in the workplace and in after-work activities, an internal attribution is made (the employee is generally a nice person). Distinctiveness (or globality) is one of the fundamental dimensions that causal attributions are categorized along in attribution research (van Overwalle & Heylighen, 1995). The second dimension, consensus, explains how attributions are made as a group. For instance, if coworkers agree that an offshore project manager is not professional, an internal attribution is made, otherwise causality is attributed to an external factor. The third type of covariation information, consistency (or stability), refers to the extent to which the effect varies over time. If the coworker from an international business unit has performed poorly in past projects, the observer makes an international attribution due to the consistent poor performance of the coworker regardless of the environment. (Kelley, 1967; Hewett et al., 2018)

According to van Overwalle and Heylighen (1995), nearly all of the models derived from the original model by Kelley (1967) assume that the causal attributions of people can be captured in any combination of three responses: something about the person, something about the occasion, and something about the stimulus. Named as standard responses by the researchers, these responses are arguably insufficient in that they do not specify responses to the opposite causal categories of external, stable, and general attributions (van Overwalle & Heylighen, 1995). Other criticism includes the notion that the covariation model in Kelley (1967), as well as in other attribution research, cannot be applied to causal chains (Kelley, 1983), and more complex causal structures will be discussed in chapter 2.4.

2.1.3 Weiner’s attributional theory

In his study of attributions of causality for achievement and self-perception in a classroom context, Weiner (1979) built on the work of Heider (1958) to identify three main causal

dimensions: stability, locus, and controllability. Weiner utilized the attributional approach to study classroom motivation and experience; his focus was on the outcomes of attributions rather than the antecedents that lead to attributions (Weiner, 2008). Moreover, Weiner (1979) emphasized the influential power of attributions to future expectations, emotions, and performance (Hewett et al., 2018). In the achievement context, Weiner concluded that the attributions made about the reasons people come up with for behavior or actions following an event are responded to emotionally. A positive emotional outcome enhances future expectations and performance while negative emotional outcome following an internal attribution tars future expectation and hinders performance in the future.

Weiner (1979) further elaborated the stability dimension to better explain causality between internal and stable attributions and affect. Internal and stable attributions beget feelings of apathy, depression, and resignation (Weiner, 1978) if the attributions convey that events will not change in the future. Furthermore, Arkin and Maruyama (1979) reported that perceived attributional stability in success reduced anxiety and increased anxiety in the domain of failure.

The third dimension, intentionality, was first introduced by Heider (1958) and later applied in the achievement sphere by Rosenbaum (1973). Effort put into a specific task was categorized as intentional, whereas mood, task difficulty and ability were unintentional. Weiner (1979) proposed the term “controllability” due to the possibility of control without intent. For example, a criminal might not want to commit a crime but cannot fight the compulsion. Controllability is important because people not only make causal attributions to explain the reasons that led to the unfolding of an event, but also to control future events (Hewett et al., 2018). The works of Heider, Kelley, and Weiner together constituted the theoretical foundations of attribution theories.

2.1.4 Causal chains

Causal reasoning is a key element in the construction of mental representations in memory for narrative events (Graesser, Robertson & Anderson, 1981; Trabasso & van den Broek, 1985; Waldman, 2017). These representations form a sequence of events called a causal chain, and it

describes the complex series of causes that led to a specific outcome (Gross, 2018; Hilton, McClure & Sutton, 2010; van den Broek, 1990). According to Hesslow (1988), causal chains contain an incredibly vast sphere of antecedents that lead to the occurrence of an event, thus leaving us with a situation where an event has perhaps an infinite number of causes and only a few of them are selected. In ordinary conversation, we often refer to “the” cause that led to the unfolding of an event (Hesslow, 1988).

Legal theorists Hart and Honoré’s (1985) book about the way courts determine legal responsibility distinguishes causes from “mere” conditions. Hart and Honoré suggest that conditions are present in both normal and abnormal cases and are thereby rejected as the cause. Moreover, they claim that free and deliberate action is typically prioritized over abnormal conditions in explanations of outcomes. Indeed, research on attribution has found support for the claim that individuals rate intentional actions as more causal than natural events regardless of the order of occurrence in the causal chain (McClure, Hilton & Sutton, 2007). A related study by Hilton et al. (2010) concluded that people trace causality through antecedent abnormal condition if an underlying voluntary distal cause is present.

Decomposing and identifying the causes of events that led to certain narratives could yield important insight into the reaction of employees towards their coworkers from international branches of the firm. Harmful events are especially fruitful in that they are unexpected, unfavorable, and they provoke attributional activity (Alicke, Buckingham, Zell & Davis, 2008) due to people’s tendency to explain surprising (Hastie, 1984; Pyszczynski & Greenberg, 1981; Wong & Weiner, 1981) and unfavorable (Boninger, Gleicher & Strathman, 1994; Johnson, 1986) events.

2.2 Theory of planned behavior

The low correlation measures between global dispositions, such as self-esteem, prejudice, and internal-external locus of control, and particular behaviors in previous studies led Fishbein (1967; 1972) to question the reliance of such constructs in the prediction of behavior. Sprung from the need for a reliable tool for predicting behavior, Ajzen and Fishbein’s (1980) theory of

reasoned action (TRA) has been frequently referenced and used in the prediction and conception of motivational influences on behavior (Madden, Ellen & Ajzen, 1992). At its core is the suggestion that the intention to engage in a behavior is its most proximal determinant while attitudes also play an important role via intentions (Conner & Armitage, 1998). The suggestion that behavior is completely left to the control of intentions restricts the prediction of TRA to volitional behavior. According to Fishbein (1993), the predictive power of TRA in the context of behaviors that require skills or resources is likely poor. Consequently, Ajzen (1991) incorporated the perception of control over performance of the behavior as an additional determinant to address non-volitional behavior as well in the theory of planned behavior (TPB) model.

According to Ajzen's (1991) TPB model, there are three conceptually independent determinants influence intentions. The first determinant, attitude toward the behavior, refers to a person's evaluation or appraisal of the given behavior as favorable or unfavorable. The second determinant, subjective norm, concerns the person's perception of social pressure to perform or not to perform the behavior. Finally, the perceived ease or difficulty to perform the behavior in question influences intention and the perceived behavioral control is assumed to be a depiction of past experiences and anticipated obstacles and hindrances (Ajzen, 2002). As a general rule, the higher the degree to which the behavior is favorable in terms of a person's attitudes as well as the social pressure from others, and the greater the perception of control over the behavior, the stronger the person's intention to engage in the performance of the behavior under consideration. The explanatory power of these three determinants over intention varies between behaviors and situations causing one or two of the variables to be insignificant in certain cases (Ajzen, 1991).

While this thesis is more concerned with identifying and understanding rather than trying to predict the underlying behavior of the employees within the case company in respect of captive offshoring, TPB still proves a valuable tool for the identification of certain influences on behavior. Moreover, previous literature utilizing TPB has been overwhelmingly quantitative, and research concerning the experiences and characteristics of international cooperation is lacking. Therefore, utilizing TPB to understand how employees behave in the context of international cooperation is truly interesting. This chapter elaborates TPB and its components

in the following subchapters starting from the perception of behavioral control, and finally discussing the shortcomings of the model.

2.2.1 Perceived behavioral control

In their paper that compared TRA and TPB, Madden et al. (1992) show that problems regarding control on a target behavior cause the effect of perceived behavioral control to be most powerful. The inclusion of perceived behavioral control was found to enhance model's predictive power over intentions. Based on the findings, the scholars suggested that strategies to change behavior through intention could be formed by influencing people's perception of behavioral control. Furthermore, the addition of perceived behavioral control to increase the predictability of the target behavior was found to be most significant when the behavior was perceived to be low in control, which is consistent with the original TPB model (Ajzen, 1991).

Originally, perceived behavioral control was postulated as a moderator for the influence of attitudes and subjective norm on intention, and the study conducted by La Barbera and Ajzen (2021) found support for these moderating effects. The researchers found increasing scores of perceived behavioral control to strengthen the association between attitudes and intention while weakening the association between subjective norm and intention.

2.2.2 The definition and prediction of intention

Behavioral intention is major component in TPB, and it is the most proximal determinant of behavior. Behavioral intention refers to the intentions of a person to perform different behaviors, and the strength of the intention depends on the subjective probability of the person to perform the behavior in question (Fishbein & Ajzen, 1975). However, determining the behavioral specificity of an intention is difficult. According to Fishbein and Ajzen (1975), an intention might seem more behaviorally specific than another but in reality, it could be an instance of a more general intention. For example, buying a friend a drink at a bar may be an instance of the intention to socialize, or it could be a representation of a more general intention to be friendly, to be manipulative, or to be seductive.

The TPB (Ajzen 1991) postulates that the performance of a behavior can be predicted from a person's plans and intentions to carry out the behavior in question (Engle, Dimitriadi, Gavidia & Schlaegel, 2010). Although the predictive accuracy of TPB is usually fairly modest accounting for 27% of the variance (Armitage & Conner, 2001), intention-behavior correlations as high as .90 (King, 1975) and .96 (Smetana & Adler, 1980) have been found. According to the TPB, understanding the intention behind a behavior gives significant insight into the individual's motivation to act (Engle et al., 2010).

2.2.3 Attitudes and personality traits influencing intention

Many a social psychologist has focused their attention to the concept of attitude in explanations of human behavior (Ajzen, 2005). Assessments of attitudes over the years include, for example, attitudes toward political parties and politicians, the church, organizational change, and ethnic groups. Incidentally, the attitude toward captive offshoring and the employees of an international business unit of the firm has escaped assessment.

Attitudes and personality traits cannot be physically observed, nor does anybody have the ability to read minds. Thus, Ajzen (2005) describes personality traits and attitudes as "latent, hypothetical characteristics that can only be inferred from external, observable cues", such as behaviors and the context in which they emerge (Ajzen, 2005; Heider, 1958; Jones & Davis, 1965; Kelley, 1971). According to Ajzen (2005), personality traits are inherent characteristics of an individual that evoke certain situation-specific, trait-relevant responses that are used as indicators of the traits the individual possesses, while attitude is the degree to which an object, person, or event is positively or negatively valued (Fishbein & Ajzen, 1975).

2.2.4 Beliefs and underlying information

Human social behavior results reasonably and spontaneously from the information and beliefs people possess about the behavior in concern (Fishbein & Ajzen, 2010). According to Ajzen and Dasgupta (2015), beliefs are often a product of information gathered via personal

experiences, news, social interactions with family and friends, and formal education. Regardless of the channels through which the beliefs associated with a behavior are obtained, they guide the decision whether to perform or refrain from the performance of the behavior (Fishbein & Ajzen, 2010). In the TPB model, behavioral beliefs, normative beliefs, and control beliefs are the building blocks for behavioral attitudes, the perception of control over the behavior, and subjective norms, respectively. Ultimately the beliefs indirectly affect even intentions toward a behavior. (Ajzen, 1991) Ajzen, Joyce, Sheikh, and Cote (2011) showed that accurate information can even be irrelevant for decision-making. Identifying the subjective beliefs people hold towards an issue instead of ensuring they have accurate information is crucial. Once the beliefs are identified, only then can the development of new beliefs that promote the desired behavior be facilitated (de Leeuw, Valois, Ajzen & Schmidt, 2015).

Despite the conclusion justified by the survival of our species that beliefs, for the most part, reflect reality reasonably well (Ajzen & Dasgupta, 2015; Jussim, 2012), the formation of these beliefs is known to be subject to various shortcomings. Cognitive heuristics and motivational biases can distort the image of reality and lead to beliefs that are not realistic or even delusional (Ajzen & Dasgupta, 2015; Fiske & Taylor, 1991; Kruglanski & Ajzen, 1983; Tversky & Kahneman, 1974). However, as Ajzen and Dasgupta (2015) pointed out, TPB does not contradict the cognitive shortcomings, rather it postulates that “people’s intentions and behaviors take account of [...] their beliefs, no matter how the beliefs originated” (Ajzen & Dasgupta, 2015, p. 120). It is in this regard, and only this regard, that the scholars consider people’s behavior reasoned.

2.2.5 Background factors influencing beliefs

Multiple different background factors influence people’s exposition to information and experiences, and the way they are interpreted. Despite the lack of direct linkage to behavior, factors such as global dispositions, demographics, and other kinds of variables are not explicitly denied in the TPB model. The reasoned action approach posits that intentions and actions ensue from a set of behavioral, normative, and control beliefs (Ajzen & Albarracín, 2007; Fishbein & Ajzen, 2010). According to Fishbein and Ajzen (2010), differences in dispositions and demographic factors can not only impact experiences and the information people are exposed

to but also the way in which the information and experiences are interpreted and recalled. Accordingly, the beliefs people hold might differ greatly depending on their socio-economic or religious backgrounds.

The beliefs can vary significantly due to the influence of myriad variables, some of which are shown in figure 4. However, the relevance of each particular factor is not universal, and the incorporation of each variable into the model requires empirical verification (Ajzen & Albarracín, 2007). While the reasoned action model does not address the significance of each variable to a corresponding belief, research concerned with identifying the relevant background factors has been seen to complement the reasoned action model (see e.g., Petraitis, Flay & Miller, 1995). Understanding the influence of different variables on beliefs is important because the beliefs in turn affect the determinants of intention.

Background factors		
Dispositions	Demographics	Information
<ul style="list-style-type: none"> • Global attitudes • Personality traits • Self-esteem • Emotions • Intelligence 	<ul style="list-style-type: none"> • Age, gender • Race, ethnicity • Education • Income • Religion 	<ul style="list-style-type: none"> • Experience • Knowledge • Media exposure

Figure 4. Background factors influencing beliefs (Adapted from Ajzen & Albarracín, 2007)

The background factors, as presented by Ajzen and Albarracín (2007), include global dispositions, demographic factors, and information. Individual factors (dispositions and demographics) include for example personality traits, emotions, and education while experience, knowledge, and media exposure are examples of environmental factors influencing

beliefs. In this thesis, emotions are given a greater emphasis via their incorporation into the TPB model.

2.2.6 From intention to action

It is generally acknowledged that behavior does not necessarily follow from the intention to engage in it. As concluded by Sheeran, Gollwitzer, and Bargh (2013), the intention-behavior gap might exist because of unconscious processes as well as conscious processes, and the latter are insufficient alone to explain health-related behaviors. Following the analysis of Ajzen and Dasgupta (2015), these unconscious processes include, for example forgetting (see Brandimonte, Einstein & McDaniel, 1996), changing intentions (Ajzen & Dasgupta, 2015; Albarracín, Johnson, Fishbein & Muellerleile, 2001), lack of behavioral control (Ajzen, 1991, 2005), and incongruent belief context (Ajzen & Sexton, 1999). All of the processes mentioned above lower the predictive power of intentions over the performance of the behavior.

TPB is a dynamic model that does not disregard feedback loops affecting cognitions and future behaviors (Ajzen 2015). According to Fishbein and Ajzen (2010), carrying out a behavior can occasionally lead to unanticipated outcomes that change the person's normative, behavioral, and control beliefs. Different kinds of feedback such as favorable or unfavorable consequences, reactions from others, and the unveiling of unanticipated difficulties likely influence the future intentions of the person via changing beliefs. Moreover, notable changes in intention have been found to change behavior.

2.2.7 Shortcomings of the theory of planned behavior

TPB is an extensively used tool across many different fields of research and it has received a great deal of praise over the years although not without any criticism. Many scholars, as well as Ajzen himself have identified several shortcomings of the model. Ajzen (1991, 2005) points out three key issues of the model. First, the relation of the model's belief-based measures to its more global measures are only able to produce correlations of moderate magnitude with the determinants of intention, and the linkages between beliefs, the determinants, and intention are

weak and uncertain. Second, as evidenced by, for example Kor and Mullan (2011), the lack of actual control over the performance of a behavior reduces the predictive power of intentions. Moreover, due to the relatively low correlation between the perception of behavioral control and the behavior, perceived behavioral control was evidently found insufficient as a proxy for actual behavioral control. Third, the enormous number of background factors renders the assessment of relevant factors affecting people's beliefs virtually impossible (Ajzen & Albarracín, 2007).

The correlation between intention and behavior can occasionally vary greatly despite being fairly substantial under most circumstances. The meta-analysis conducted by McEachan, Conner, Taylor, and Lawton (2011) found evidence that the temporal distance (length of follow-up) between measurement of intention and behavioral assessment moderated the efficacy of the TPB model. Behaviors measured over the short term had better predictive power than the longer time interval measures. Consistent with the findings of previous studies (Albarracín, Kumkale & Johnson, 2004; Manning, 2009; Sheeran & Orbell, 1998), the lower correlation measures over the longer time interval are likely attributable to the increasing number of intervening events occurring as time passes, which can change people's beliefs, modify attitudes, revise subjective norms, or alter the perceived behavioral control, thus changing intentions (Ajzen, 2011; McEachan et al., 2011).

3. RESEARCH DESIGN AND METHODOLOGY

The aim of this study is to understand how the employees in an MNC view captive offshoring, and why. Doz (2011) argues that qualitative research makes a central contribution to theory building in management, yet qualitative research in international business is scarce. Thus, this thesis utilizes a case study approach through the viewpoint of an international consulting company, and altogether ten of its employees of various positions were interviewed. This chapter further elaborates on the study design and methodology employed. It commences with the description of the case company, and the design and methodology of the research. In the final part of the chapter, the reliability and validity of the study are discussed.

3.1 Description of the commissioner company

This study is conducted as a commission for a large international consulting firm operating in the civic engineering industry, WSP Global Inc (later WSP), and more specifically, its Finnish branch. Founded in 1959, WSP has its headquarters in Canada and employs a little shy of 50 000 people of which over 650 are located in Finland. The company offers management and consulting services to private firms as well as public institutions and municipalities. Instances of the main business areas the company currently operates in include sustainable development and built and natural environment design.

WSP's Competence Resource Center (CRC) activities are a form of captive offshoring in which the company utilizes global resources and capabilities within the firm also at local projects. Thus, the company can create added value and benefits to the customers as well as further internal development and learning. Increasing CRC activities is part of WSP's strategy, and it strengthens the company's competitive advantage. (WSP, 2020) The nuances of CRC are further discussed in the findings part of the study in the next chapter.

The pursuit of seamless intrafirm cooperation is important. In addition to the importance of human capital management for the success of a firm in general (e.g., Vijay et al., 2019),

evidence has been found that intrafirm collaboration engagement can affect partners' ability to realize value in interfirm context (Schleimer & Faems, 2016). Moreover, as research by Gratton (2005) suggests, the key to a firm's success is the capacity to work cooperatively across borders. Thus, understanding the way in which the employees react to WSP's method of intrafirm cross-border cooperation is of great interest to the management. Potential social problems emerging from international cooperation hinder productivity and lower employee motivation (Fishbein & Ajzen 2010). Understanding the function of these reactions helps management better inform the employees and reduce tensions within the organization.

3.2 Research design

This thesis employs qualitative methodology to understand the factors influencing the employee's reactions toward captive offshoring within the case company. Qualitative research method is suitable for thesis as it provides insight and understanding of people's experiences, and it aims to shed light on the way people embrace intrafirm cooperation in international context (Alasuutari, 2011; Denny & Weckesser, 2019). Qualitative methods are highly useful in the research of a topic where little to no previous research exists since they provide rich descriptions of real phenomena, thus stimulating deeper thought (Doz, 2011; Weick, 2007). Doz (2011) uses the phrase "opening the black box" of organizational processes to describe the manner in which organizational activities unfold in time. Due to the open nature of qualitative research, it can enable one to realize the significance of a phenomenon or theoretical perspective that has heretofore been neglected.

The results of qualitative research depend on the researcher conducting the study since the responsibility of the interpretation of the results falls to that person. The nature of research in this thesis is exploratory as it aims to understand what is happening in the context of intrafirm cooperation. Saunders, Lewis, and Thornhill (2015, 174-175) point out that an exploratory approach is especially useful if one's goal is to clarify the understanding of a phenomenon. The scholars list several ways of conducting exploratory study, and this thesis utilizes two of those: a search of the literature, and interviewing individuals in depth on the topic (Saunders, Lewis & Thornhill, 2015, 175).

A case study is concerned with understanding a topic or phenomenon studied in real-life setting (Yin, 2014; Eisenhardt, 1989), where the “case” refers to, for instance, an individual, group, or an organization (Saunders, Lewis & Thornhill, 2016, 184). This study employs multiple-case study methodology in which the cases are individual employees in the contexts of a multinational engineering consulting company. Finding out the existence of any overlapping of experiences and notions of captive offshoring between the individuals is achieved by utilizing cross-case analysis which aims to distinguish the commonalities and differences in the factors influencing the outcomes of the cases (Cruzes, Dybå, Runeson & Höst, 2015).

3.3 Data collection method and analysis

The data collection was executed through interviews with the personnel of WSP. All of the interviewees work in the Finnish branch of the global company, and the interviews are semi-structured. Semi-structured interviews offer flexibility since the questions are formed in advance, but their order and structure can be subject to changes (Hirsijärvi & Hurme, 1995, 36). To make sure all the relevant information is extracted from the interviews the questions need to be formed beforehand, although additional questions may emerge during the data collection process due to the nature of qualitative research (Saunders, Lewis & Thornhill, 2016, 168). The interview questions are formed with the theoretical frameworks in mind and are especially concerned with the pre-conceived notions and experiences of the interviewees. The interview questions and structure can be seen in appendix 1.

The interviewees were chosen from different positions and business lines from the lower ranks up to business unit managers, and they had to have experience with WSP’s cross-border intrafirm cooperation. The interviews were conducted remotely via Microsoft Teams, and a summary of the basic information about them can be seen in table 2. All in all, ten employees were available for the interviews during the timeframe set for the data collection phase, and they were promised anonymity before the interviews. The duration of the interviews varies between twenty minutes to forty minutes. The interviews were focused around one main theme: personal experiences regarding cooperation with an international business unit of the firm.

Table 2. Basic information about the interviews

Informant	Interviewee	Business line	Date and duration of the interview
1	BIM-/CRC-Coordinator	Infrastructure	19.3.2021 20 min
2	Business Unit Manager	Bridges	23.3.2021 29 min
3	Structural Designer	Industrial Structures	29.3.2021 18 min
4	Acting Business Unit Manager	Industrial Structures	1.4.2021 24 min
5	BIM-Specialist	Infrastructure	6.4.2021 40 min
6	Project Manager	Infrastructure	12.4.2021 19 min
7	BIM Manager	Industrial Structures	13.4.2021 29 min
8	Project Engineer	Infrastructure	20.4.2021 17 min
9	Planner	Infrastructure	21.4.2021 19 min
10	Business Unit Manager	Industrial Structures	22.4.2021 29min

The recordings of the interviews are first listened to in the analysis phase, after which they are transcribed for easier access and increased reliability. Each interview is then analyzed separately to gain better understanding of the individuals' knowledge and experiences followed by a comparison of all the interviews to get a view of the big picture. Qualitative content analysis was employed for the examination of the results since finding the meaning behind the interviews requires engaging in some degree of interpretation (Schreier, 2012, 2). According to Schreier (2012, 2), data never "speaks for itself" nor does it inherently "have" a specific

meaning. We, the recipients, attribute meaning to the words we hear, and the construction of the meaning is influenced by the antecedents of the interpreter.

3.4 Reliability and validity of the research

Discussions about reliability and validity have not produced an agreed-upon framework regarding universal standards in qualitative research. Unlike in quantitative research that has rigid criteria for validity, scholars have criticized universal standards for qualitative research as problematic (Guba & Lincoln, 2005) and unhelpful (Bochner, 2000). Nevertheless, Tracy (2010) suggests eight criteria of qualitative quality that are presented in figure 5. The criteria are achievable through skills that are flexible and depend on the goal of the study. It is a tool that uses a minimum number of assumptions. (Tracy, 2010)

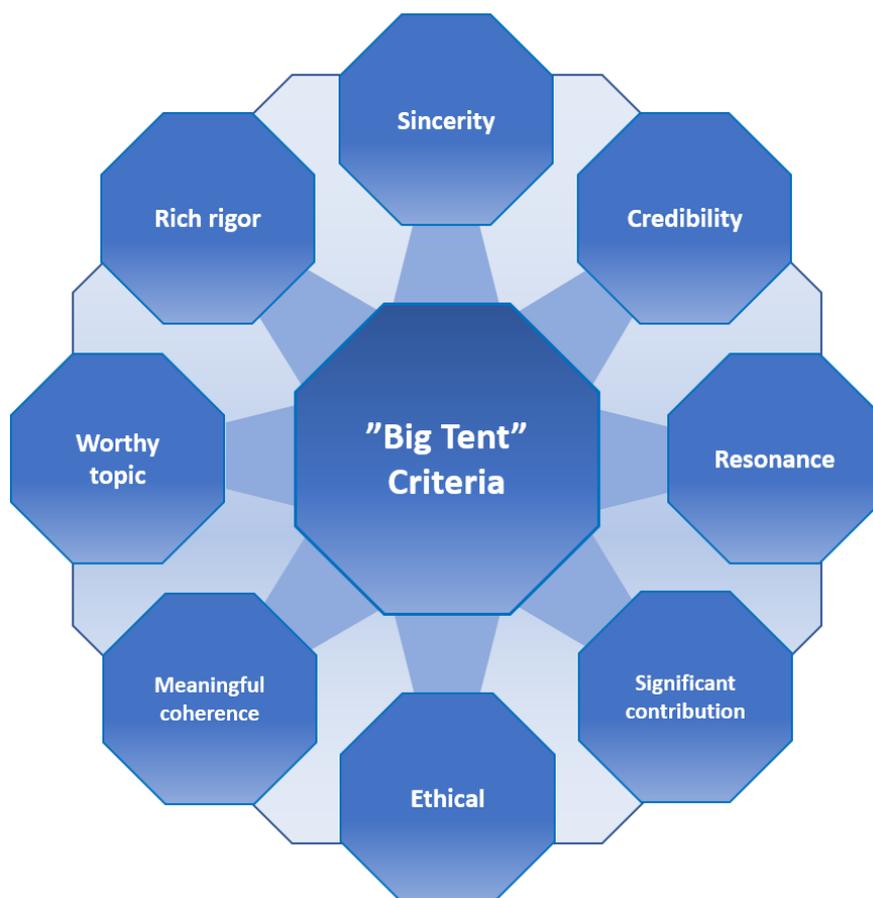


Figure 5. The eight "Big Tent" criteria for excellent qualitative research (Adapted from Tracy, 2010)

Worthy topic refers to research that is relevant, timely, significant, or evocative. This study examines a phenomenon that lacks prior scrutiny making it interesting in that it may challenge common-sense assumptions about the way individuals act in an international organization. Research that merely confirms existing assumptions is often regarded as obvious rather than interesting.

Good qualitative research is rich, rigorous, and complex in contrast to quantitative research that is precise (Tracy, 2010). Rich data, as explained by Weick (2007), is abundant, unrestricting, and generous. Rigor refers to the amount of data collected and analyzed, appropriateness of the sample and procedure used, and time and effort spent in the process. According to Tracy (2010), rigor provides a “base of qualitative fitness that may enrich future projects”. Rich rigor is a necessary marker for qualitative quality. However, it is insufficient alone to produce high quality work.

Sincerity in qualitative research, according to Tracy (2010), can be achieved through self-reflexivity and transparency. Self-reflexivity refers to honesty with the researcher’s self, research, and audience. It encourages writers not to hide their strengths and weaknesses, such as the interviewer bias. According to Saunders, Lewis, and Thornhill (2015, 397), the comments, tone, and non-verbal behavior of the interviewer inexorably bias the way in which the interviewee responds to the questions being asked and reduce the reliability of the data. The interviewer in this study strives for objectivity in the way the questions are formed and asked, not purposely leading the conversation one way or another.

Credible research findings are trustworthy and plausible. There are multiple avenues leading to credibility in qualitative research. Tracy (2010) divides them into three distinct characteristics: thick description, crystallization and triangulation, and multivocality. Thick description refers to the depth in which the data’s complexity is illustrated. Researchers need to provide enough details for the readers that they can form their own conclusions about the scene. Triangulation entails that the more research converges on the same conclusion the more credible the conclusion is, whereas crystallization refers to gathering multiple types of data by employing

an assortment of various methods. Multivocality is the recognition of different voices in the research and analysis. Multivocality is also a part of another criteria, ethicality, which considers various types of ethics. (Tracy, 2010) One of many pitfalls reducing reliability is the interviewee bias according to which the interviewee may not feel secure enough to reveal an aspect of a topic that the researcher would like to explore (Saunders, Lewis & Thornhill, 2015, 397). Therefore, the interviewees were told that they will remain anonymous in this study and that they can speak freely and without fear of repercussions.

Significant contribution and resonance denote respectively that the research moves particular readers and extends knowledge on social life (Tracy, 2010). This study aims to resonate with employees working in an international organization by shedding light on the emotions and reactions they have toward captive offshoring. The topic has little prior literature examining it, thus enabling this study to make a significant contribution to the understanding of organizational behavior.

The final component of qualitative quality, as presented by Tracy (2010) is meaningful coherence, which refers to three distinct characteristics that make meaningfully coherent research: i. the study achieves what it claims to be about, ii. the study uses fitting methodology regarding its goals, and iii. the findings, literature, interpretations, and research questions are being interconnected in a meaningful manner. To achieve these characteristics in this study previous studies and literature have been examined to get an understanding how such studies have been conducted before. Adopting the most fitting and meaningful practices increase the likelihood that this study achieves meaningful coherence.

4. FINDINGS

CRC is the case company's concept that is a form of captive offshoring in which the company utilizes its global resources in local projects. In this chapter and throughout the rest of this thesis, CRC is used to describe captive offshoring from the point of view of the case company. The chapter begins with the description of the information that the interviewees possess about CRC and the CRC process itself. Afterward, the interviewees personal experiences, suspicions and prejudices, and suggestions for the development of the concept are elaborately expounded.

4.1 Background information

All the interviewees are Finnish people but the background factors that shape their disposition vary. The engineering consulting industry generally has high education requirements of workforce whereby nearly all of the employees have at least a bachelor's degree. The same is true for WSP's domestic as well as international business units despite the varying tasks that come with the territory, and the nature of the projects in the various business lines.

Most of the intraorganizational cooperation has taken place with WSP's Indian CRC unit. In nine out of ten cases India was the most important country for cooperation with the exception of Poland in one case. The Finnish culture is in many ways very similar to that of other Nordic Countries, but it differs from the Indian culture extensively. The cultural differences can manifest in many ways but the most obvious is the communication. The management system in Indian culture is seen as hierarchical, and the workers often do not question the instructions given to them. The Indian CRC employees are often hesitant to admit ignorance in certain areas of expertise which compels the Finnish employees utilizing CRC resources to constantly direct the work so that the end product corresponds with the requisition.

“They may easily say that they are able to do something when in fact, they are not, and I think it's a cultural thing. In Finland people admit that they can't do something and there's nothing wrong with that” (Informant 1, BIM-/CRC-Coordinator)

“The threshold of asking for advice is high, and the same things need to be frequently repeated. Finnish employees are independent but the culture over there is not like that. Sometimes the results reflect that [...] the person has not questioned whether the instructions can even be that way.” (Informant 10, Business Unit Manager)

The experience regarding the use of CRC among the interviewees varied greatly, and the interviewees gave significantly differing definitions for CRC. For some, the experiences were limited to a few projects, or even a single project while others had had notable experience from several different projects. CRC was seen as many different things ranging from an extra reserve of human resources to simply work that is commissioned to India. Generally, the higher the rank of the employee the more detailed and theoretical a description they gave for the CRC concept. The lower ranked employees gave a very practical definition for CRC.

“According to my impression, CRC is like work made in India. [...] In my projects they have made some surface modelling, building information modelling things.” (Informant 8, Project Engineer)

“My experience is that we have made building plans and there has been a CRC team in India [...] and we have given the plans for the CRC-team in India to clean up. That is, work that’s somewhat straightforward and does not require planning.” (Informant 9, Planner)

A great deal of disparity exists in the language proficiency among the interviewees and their reactions toward conversing in a foreign language. The use of English was referred to as the “boogeyman” while others did not feel any anxiety in it. However, despite all of the interviewees being able to speak English, even the informants comfortable with speaking it reported difficulties with technical, engineering related vocabulary. Engineering vocabulary is not come across in everyday situations which makes it harder to direct other employees or to explain its meaning. In turn, difficulties explaining the demands to the foreign employee can result in reduced quality end products due to miscommunication. These circumstances might

make employees react negatively toward captive offshoring, although most of the informants did not place the blame on their foreign coworkers.

“[...] If the ability to speak English is lacking, and you have to struggle, it makes it straining. If my other language was English, then it would be fine. So, you can't just ask 'how are you', you have to talk about technical matters.” (Informant 8, Project Engineer)

“[...] Challenges exist, and in ever so many cases the scapegoat for these challenges can be found in the mirror.” (Informant 7, BIM Manager)

4.2 The sourcing process

WSP is still taking its first steps in the utilization of CRC resources as the concept is being developed and extended to benefit more business units. Therefore, the employees have not yet accumulated much experience in the field, and although CRC has been used in some business units for a longer period, many interviewees mentioned CRC being in the initialization phase where the business unit has had its first recruitments for the CRC team made.

The type of work that is typically delegated to the CRC team is straightforward, repetitive, manual work that does not require local expertise or communication with the client. The objective is that at the beginning, the Finnish experts are in charge of the general planning and designing while the foreign experts handle the details. The newcomers start with more basic tasks and move on to more complex and independent tasks as they get trained. The purpose of CRC is to be an additional resource available for the Finnish branch of WSP and to act as a figurative right hand of the organization. However, while CRC can be a great way to save a project with a budget that is almost depleted, it should not be the basis of every project.

“I've been aspiring on though level to make CRC activities so that the Finnish experts execute more of the planning, and the details are being finalized by the CRC team because [...] it's

more justifiable for the customer that the expensive Finnish experts perform the general planning, and the more affordable workers handle the finalization that requires a lot of manual work.” (Informant 5, BIM-Specialist)

The sourcing process begins with the determination of the suitability of CRC on the project. Sometimes CRC is not suitable for the project as it requires tasks that are repetitive. CRC also requires a lot of communication and directing from the Finnish employees to realize the potential benefits that are attainable. The communication during a CRC commission takes place remotely due to the long distance and the Covid-19 restrictions to commute. Due to CRC still taking its first steps, the process lacks a definitive procedure according to which the activities would be executed. As the procedure progresses through its development, the need for constant directing decreases, and a lot of misunderstandings will be avoided.

“If we get the same team abroad to remain, the Team Finland, and there is not much turnover, in time both the directors and the directed will learn the customs and habits of each other, and that’s how it works.” (Informant 2, Business Unit Manager)

Multiple arguments are given for the use of foreign human resources in local projects. The argument that is most often given concerns the economical aspect of sourcing decisions. Access to the inexpensive human resources enables the company to participate in price competition more effectively with the competitors in the industry by allowing it to lower the cost to customer below that of the competitors which do not engage in captive offshoring. Many of the interviewees, however, argued that the sourcing decision is reactive, even forced by the competition. Many a project would be lost to competitors if global resources were not available to the company.

CRC operations are also undertaken as a remedy in times of demand spiking since they allow the reallocation of Finnish human resources to tasks that are more complex and require local know-how. Although CRC can ease the management of a project in busy times, it is not flexible enough to provide the desired result in a very short timeframe. The sourcing process needs time for the briefing, executing, and supervision, which cannot be carried out overnight. The

resulting failure to meet the deadline can be attributed to the use of CRC which does not reflect reality and the fact that the deadline was already not going to be met due to other project management related factors.

“I think that it’s cheaper to have these routine tasks done there [in a foreign country] rather than here [In Finland]. And of course, there is some lack of resources now and they are of great help. That is, they have made their own contribution to the project keeping in schedule, and quality is being pursued in the production.” (Informant 8, Project Engineer)

“[...] Often CRC is used when the budget is exhausted, and some work remains to be done, and the budget does not cover that. Then, the problem is attempted to fix by having the work done more cheaply. Why it’s bad, is because when the project has already failed on some indicator, and they attempt to save it, then towards the end it’s pretty much impossible.” (Informant 5, BIM-Specialist)

The third most common justification for the use of CRC was the prospect for adding knowledge in areas that the Finnish branch has not specialized in, such as high-rise construction. Instead of training the Finnish employees, the specialization can be accessed through the company’s internal resources from its foreign business units to meet the demand in single unusual projects. However, in many interviews, the access to special foreign know-how aspect did not come up and it was often even denied. CRC is still a relatively new concept, and the tasks that are ventured as the responsibility of the CRC team abroad are quite simple. As the concept evolves and the practices develop over time, more complex projects may become attractive as project references become available.

“We get the kind of know-how that we do not possess in Finland. We have a guy [in CRC] with a project reference from previous employer in, for example, airport designing that we do not have in Finland, and that way we get more know-how, and in turn perhaps more orders from customers with these references.” (Informant 5, BIM-Specialist)

“I don’t know if they provide any finer know-how. I mean, they are skilled, [...] and you cannot say that they are bad at their job. Mostly they provide workforce.” (Informant 3, Structural Designer)

4.3 Internal and external attributions

The people working in WSP’s offshore business units were mostly talked about in a positive tone during the interviews. Internal attributions of diligence, obedience, and capability were made according to the interviewees’ own experiences. In one case, the interviewee made a positive internal attribution based on the experiences of other people working in the same business unit due to a lack of personal experiences regarding CRC activities. Negative experiences were attributed to an external cause, such as culture, the use of foreign language, and happenstance, by everyone of the interviewees which implies that the Finnish employees regard the personal abilities of their offshore coworkers as equal to their Finnish coworkers.

“Same laws apply in these difficulties as in task transfer in Finland. Communication is key. In this case, it causes its own challenges when two parties, neither of which speak in their native language, cooperate. You need to pay attention to communication to ensure that both parties understand what the other one is doing and desires.” (Informant 7, BIM Manager)

“It is a success when the result is according to what was ordered, and these kinds of successes happen every time. There was a small issue in one project [...] but it could have happened to anyone. It was not related to CRC. Besides, you cannot always expect the material to be flawless. They are busy as well, and I get that.” (Informant 6, Project Manager)

“I have, in a way, positive experiences in that I think they are trying to do things well and they keep in schedule. But then, there is this thing where we have to edit their drawings when they are not wrong per se, but some matters are presented in a way that is not smart from the worksite’s perspective.” (Informant 4, Acting Business Unit Manager)

The quality of the results and cooperation in general were seen to be caused by a person's internal attributes rather than the country of origin. People have varying levels of knowledge, experience, and learning capabilities which causes cooperation with some people to be easier than with others. Moreover, a few interviewees' reactions toward cooperation with a coworker that needed more direction were partly negative while others regarded people's inexperience natural and unavoidable during the first steps of a new concept. In none of the cases were the ignorance attributed to the person's country of origin except in procedures, customs, and regulations that are solely specific to Finland and cannot be assumed to be known by a foreign person.

"I know there have been business units, in this case in India, where the employees have not been good, that they have been sloppy, or the cooperation just has not worked out well. But that is not because they are Indian or foreigners. Surely, there are better designers and worse designers, and perhaps some other tasks could be assigned for these 'worse' designers that would suit them better." (Informant 5, BIM-Specialist)

"If you notice that an employee cannot manage their job, there has been a misevaluation in the recruitment process. Like in Finland, not everybody is suitable for all kinds of work. Same goes for India in this case." (Informant 7, BIM Manager)

4.4 Beliefs about captive offshoring

Captive offshoring is not taken lying down. Human beings are often reluctant to changes and deviations from what they regard as normal. While some individuals are more adaptable in new situations, others need more time, and they should not be left alone in the process. Especially in the early stages where the concept of CRC is as well, the employees should not be left to make their own conclusions about the reasons behind the deployment of WSP's global resources. The interviews revealed some of the various misconceptions and beliefs that have formed in people's minds, although many of the interviewees had positive experiences and preconceptions about CRC.

“Some people have certain prejudice against new methods while others are more open. We, the CRC managers, can influence these prejudices to some degree in the development but not ceaselessly. Through internal marketing and communication these negative preconceptions can be reduced but not all of them.” (Informant 5, BIM-Specialist)

A prevailing issue among many of the interviewees was the delegation of work to the countries with CRC activities not because of concerns about the quality of the product but fear of losing the job their jobs to the countries that have lower wages and equally skilled workforce. At times, the work available is not sufficient for the Finnish employees either, and with the company necessitating the use of CRC on projects, it can prove threatening to the continuity of the current system. One of the interviewees also added that the money spent on the CRC is transferred abroad and it does not come back to the circulation of the Finnish economy through taxation. Nevertheless, a few interviewees pointed out the necessity to use CRC occasionally to win a competitive tendering, and these interviewees saw CRC in a more positive light than those who felt threatened by the concept.

“In time, there is the risk that here in Finland, the business units become such that the employees only manage the projects while they are being done somewhere else. That means, that the operative department becomes smaller unless we can raise the work volume by the same amount that we have in CRC.” (Informant 2, Business Unit Manager)

“Naturally, it raises questions if there is not that much work available in Finland, and we are delegating all our work to CRC while we are not even burdened. It’s understandable that it causes insecurity, and it’s up to the communication of the management to make the working atmosphere better.” (Informant 4, Acting Business Unit Manager)

“They are somewhat of a threat to our own workforce. In a way I understand and fear that the employer is tempted to increasingly use CRC as they are a lot cheaper, and their laws regarding the working hours are something else than here in Finland. That’s the number one threat in my opinion.” (Informant 6, Project Manager)

The quality of the product that is being produced by the CRC team is another source of suspicion among the Finnish employees. The Finnish project management has the responsibility to the customer, and they need to make sure that the product is exactly how the customer wants it. Therefore, the CRC team is under a higher degree of scrutiny, given the factors that are known to complicate the communication, such as distance and different language, and the experiences that the Finnish project management has had in the past. Related to the past experiences with CRC is the attribution error, where the project management had tried to save a doomed project budget with CRC, and it had ultimately failed causing the people to give negative attributions to the concept despite the project already failing on financial measures.

“From the projects’ perspective what arouses suspicion is when something is being ordered from a CRC employee, whether the product is according to what is required. Possibly quite a common and logical suspicion that you don’t just expect everything to work automatically like they are supposed to. Instead, once again, it requires communication and active guidance.”
(Informant 5, BIM-Specialist)

Customers’ reactions toward captive offshoring were also mixed. The use of global resources is often limited in the customer specific contracts allowing the use of local human resources alone. While the reactions and the rationale behind the reactions are beyond the scope of this thesis, the limitation of the use of CRC came up in the interviews so frequently (in four out of the ten interviews) that it is worth mentioning, although research focusing solely on the customer’s perspective should be conducted for a more thorough understanding of the phenomenon.

The interviewees found the customers limiting the use of CRC to be prejudiced toward foreign workforce and suggested previous negative experiences of international cooperation as the reason behind the skepticism. Moreover, the contracts often include a strict specification of the people that are permitted to work on the project. The employees in the CRC teams in international business units may not be regarded as WSP’s employees, or their capabilities are not recognized by the customer. However, the results depend on the party that supervises the process, and the customers have been occasionally positively surprised after eventually

agreeing on the use of CRC. Without an active take on the CRC cooperation by the project management in Finland, the results will likely be unsatisfactory.

“Most of the customers hearing about CRC are reluctant. I suppose they think that they are not Finnish planners so they can’t plan, and our building is going to collapse. I’m not sure what it is about, but somehow they regard it as cheap labor instead of acknowledging that they happen to be WSP’s employees who happen to be available between several business units.” (Informant 3, Structural Designer)

“One of our customers was quite prejudiced when we presented the idea that we could have some pictures be drawn in the CRC, so we agreed upon a trial period. We did that at our own risk and after the trial period had ended, the customer said that the pictures were better than those of our local competitors.” (Informant 7, BIM Manager)

The cost to the customer also came up in a different circumstance, where the informant was fearful that the customer would start demanding lower prices due to WSP utilizing less expensive labor from a foreign country. The interviewee seemed to think that the lower costs associated with CRC are not disclosed to the customer, and as they eventually find out about the costs, they will also start to question the prices of the building plans.

“It’s beneficial for WSP that the buyers think that CRC is fine if they get plans at lower costs. But it takes a while before they realize that WSP is having work done with lower costs, and they will start to question why the plans are still not any cheaper. At that point, we are screwed.” (Informant 2, Business Unit Manager)

The same informant pointed out that WSP’s Finnish personnel may see the international management of WSP as a threat. Since WSP is an international company with its headquarters in Canada, and Finland is a small business branch far from Canada, the corporate management might not put the Finnish employees’ matters first. Whether these concerns can be generalized to several Finnish personnel or they are merely the informant’s personal thoughts is difficult to

tell. However, the tone implied that the subject was something that the informant had given a lot of thought to and it evoked strong feelings in him.

“The money that is sent to, for instance Poland, won’t come back here to the taxpayers and the nation. I see many matters of principle that affect people’s attitude toward CRC. And however smart people are, they understand that it’s not the employees’ fault in Poland or wherever, but on a principal level. People wonder, why we are doing these things for Finland when WSP is an international company, so they are not thinking about Finland’s issues [...]” (Informant 2, Business Unit Manager)

4.5 Experiences of cooperation

Having to cooperate remotely makes passing on information and knowledge harder since communication is restricted to the meetings, calls, and emails while all other communication is excluded. The role of learning from one’s coworkers is significant, and the communication also improves workplace relationships when the employees get better acquainted. Reducing all interaction to remote means complicates communication and conferring via email can lead to errors in understanding. When the end product is not according to the instructions due to misunderstanding of the written text, it can cause feelings of disappointment.

“It results in a tough situation when a task requires so called “silent knowledge” [...] and we are not sitting next to each other in the office due to Corona as it is. Especially when speaking in a foreign language, it proves difficult.” (Informant 4, Acting Business Unit Manager)

Work assigned to the CRC team is always finished in time, although the results vary depending on the level of supervision and the rigor of the instructions. When instructions are thorough and detailed, and the supervision and direction is active, the results are often flawless. However, neglecting the guidance and communication during the captive offshoring assignment increases the probability of the end product deviating from the request. Details and nuances that are not communicated or emphasized are not independently carried out by the CRC team. Active

direction of the captive offshoring assignment is time-consuming, arduous, and ties up the project employees in Finland. Moreover, the need to regularly inspect the quality of the product requested from the CRC team was felt as irritating and frustrating, and similar feelings resulted in situations where something was promised but later turned out to be neglected when the end product was inspected.

“When the project members from our own business units are numerous already, having the enthusiasm to take a few more employees to supervise is quite difficult. I find that it has to be someone else other than me that handles the supervision so that it won’t become the project manager’s responsibility.” (Informant 10, Business Unit manager)

The negative feelings that arose from the need of constant direction and broken promises were rationalized in all the interviews in which they were present. Culture was found to be the dominant factor in the case of overpromising, where the offshore team were thought to have a bigger threshold to admit ignorance or inability to carry out a task out of shame or fear. In this case, the informant regarded the Indian working culture as having strict hierarchy where failure or ignorance are unacceptable, or at least cannot be shown to the “boss”, which in this instance the Finnish branch of WSP is. Furthermore, through learning the need for active direction reduces and the Finnish employees become better at dealing with the cultural differences that are present in captive offshoring. Having the reserve of human resources available was still considered a net positive from the interviewees’ perspective. The connectivity of the Indian and Finnish cultures was seen plausible, although the Finnish employees are uncomfortable giving strict orders for the work to be done. Friendly requests were often considered optional by the CRC team, and they required a more direct way of communication.

“It is frustrating when you have to constantly comment on small matters. Of course, I know that I could not have carried out all of the tasks myself, but I could comment on the errors that I noticed. However, it did not leave any hard feelings, and the tasks got done.” (Informant 3, Structural Designer)

“It is irritating [when promises are broken], no question about it, but you have to move forward after that, and of course it was one of the first times utilizing CRC. In time, you learn how things are done and how to deal with the offshore coworkers [...]” (Informant 1, BIM-/CRC-Coordinator)

“It has been a point of learning for myself as I would rather not order people around. When I make a request while directing a project, it should not require ordering. As professional people, I expect that when I ask someone to do something, it gets done. On a general level, though, Indian business culture suits Finnish culture well.” (Informant 5, BIM-Specialist)

Projects that are carried out abroad benefit considerably from a team that consists of local people since they bring much needed knowledge about the customs, laws, and procedures that the foreign country has. From the planning phase throughout the rest of the project phases there are plenty of country-specific nuances and processes, and a Finnish expert can have a hard time learning all of them. These benefits are not unequivocally translated to projects in Finland. Without a contact person between the experts in Finland and the CRC country, it can be difficult to employ the CRC team in projects whose tasks are complex and require a deep understanding of Finnish practices and regulations. The best outcome was achieved when the requirements and schedule are thoroughly communicated to the CRC team, and the tasks are repetitive and do not require higher expertise.

The experiences toward captive offshoring among the interviewees seem to vary according to the rank of the employee. The higher the position of the interviewee, the more negative the experience toward the use of CRC. While the lower ranked employees at least attempted to think of positive aspects regarding CRC and reported fewer negative experiences, the higher ranked employees directly voiced their dissatisfaction with CRC. One explanation could be that the higher ranked employees are responsible for the whole project, thus having access to all the financial data concerning the projects and seeing all the concrete benefits (or handicaps) that CRC provides, while the planners and their other subordinates only experience the circumstances that manifest from the delegation of the workload. The management level interviewees could also be accustomed to certain work procedures and culture and take some

basic skills for granted when all their Finnish coworkers possess these abilities. Furthermore, any type of nervousness could not be detected in their voices and they did not filter their language in any way. Although the interviewees were promised anonymity, the lower ranked employees might have been careful with what they say. They could also have been optimistic in their answers due to their dispositions.

“We had a project recently, but it required complex planning and had very few repetitive tasks. [...] It challenged our own planners as well and employing people to supportive tasks was difficult. Or gaining any benefits from them being on the project. It’s not worthwhile when the instructor spends the same time on the person as the task itself would require from the instructor, and then carrying out the task takes double the time.” (Informant 10, Business Unit Manager)

“The situation has not yet been such that having teams abroad would have, how should I put it nicely, made our jobs easier. [...] There are issues that increase our workload and costs without a doubt.” (Informant 2, Business Unit Manager)

The interviewees quite often talked about the costs when they were asked about the most important reasons behind the use of CRC in their opinion. In their answers, the words “inexpensive” and “cost benefit” came up repeatedly, although some of the interviewees argued that the cost benefits are difficult or even impossible to attain in practice. The two biggest reasons for not attaining the cost benefits are the need for constant supervision, and the rigidity of the communication between project members and the CRC team. Management of the project can become very cumbersome when the two factors are combined. The person has to control at least one other person constantly and all the communication occurs in a language that the person is not accustomed to, albeit capable of. When the cost benefits are hardly positive, the extra effort put to the cooperation with the international business unit can be seen unworthwhile.

“CRC helps balance resources. It is less expensive per se to have the CRC team perform the task at a lower price.” (Informant 9, Planner)

“It would require a much more mature project management culture to reap the benefits that are expected from CRC. [...] We don’t have the resources necessary to have one person supervise three others to make sure the results are on a par with the customer’s demands.”
(Informant 10, Business Unit Manager)

4.6 The development of captive offshoring

Captive offshoring in WSP is still taking its first steps as the CRC concept develops through increased initialization, better practices, and more trained workforce. Many of the interviewees had experience with the utilization of WSP’s global human resources and they had different notions of the bottlenecks in the processes. This subchapter demonstrates the informants’ suggestions for the development of captive offshoring in the case company.

Project managers are often responsible for the controlling of the CRC assignment, although sometimes the person responsible will be the one making the assignment. The control process was regarded as time consuming, and the controller generally has their own tasks on top of the controlling responsibility. Furthermore, the controlling takes place via email exchange and calls which are not the most efficient way to communicate instructions to an audience of more than one person. To tackle this issue, some interviewees suggested a more straightforward procedure for the CRC control process, and another suggested Microsoft OneNote as the kind of platform through which the instructions are constantly available and communicated to everybody in the CRC team in real time.

“I for one would wish that the process would become more controlled, but previously the main idea was that every project would have OneNote in which the projects objectives, processes, and initial information would be determined. Still, on our project it was not used at all [...]”
(Informant 3, Structural Designer)

“Perhaps in a few years the leadership project could have a few people who control the resources rather than every project manager attempting to control it all. And as time passes and younger generations grow up to the system, then the role thinking will change once again.” (Informant 2, Business Unit Manager)

The initialization process of CRC activities is not on the same level in every business line and unit. Certain business units already utilize OneNote and are on the process of streamlining their CRC activities while others are still in the initialization phase. One significant difference between the units is that at least one of them pays a fixed price to the CRC unit while others have a running price that changes depending on the number of hours reported. A price ceiling or a universal fixed price system was suggested as a development measure to increase efficiency and to avoid unnecessary spending at the CRC team’s behest.

“If in the future we could have a fixed price contract that says they have a predetermined amount of money available to complete the agreed upon tasks. So, it is not an open tab system where they can have an undetermined number of work hours available, and the task can take as much time as they want if they are not supervised.” (Informant 10, Business Unit Manager)

Learning the Finnish practices and requirements can take a lot of time, and often result in a higher need of controlling the CRC team. The need to control the CRC employees raises the threshold to have them on the projects where they could learn in practice. However, the best way to train the employees according to the interviewees would be to show them how certain procedures work in Finland and teaching them about the requirements and legislations. Moreover, both of the parties could learn the habits and customs of each other during the cooperation further improving the cooperation in future projects.

“I think it’s important that they have a capable team there and the kind of community where they can teach each other so we don’t have to teach each of them separately. [...] The more we can utilize the CRC team the better the cooperation will work. Just like here in Finland, everybody is accustomed to work a certain way and they know each other’s strengths so they can work more efficiently.” (Informant 9, Planner)

The processes will develop in time when the use of CRC becomes more common, and more resources will be allocated to the intrafirm international cooperation. The company currently lacks a guiding principle that defines the kind of work that should utilize CRC, and the procedure according to which project members in Finland as well as in international business units should work. The lack of clear procedure also hinders the cooperation and confuses the employees lowering the overall efficiency. The majority of the interviewees would like to have an explicit rubric in the future saving their time by not having to spend it on matters that are irrelevant for the task itself.

“Although we have used CRC for a long time, there is no integrated rule that states that all projects of certain kind are always put to CRC which would be the optimum way of working from the efficiency point of view. But as I said, CRC is in the initialization or transformation phase in our business line.” (Informant 7, BIM Manager)

4.7 Summary of the key findings

This chapter outlines the main themes that emerged during the interviews to form a clearer picture of the most important topics discussed. The topics chosen for the summary are the ones that repeated several times between the different interviews. They are described in a combinatory manner due to varying explanations of the phenomena, and suggestions for the development of the issues given by the interviewees as well as suggested by the author are also discussed. The themes, their descriptions, and the development suggestions are exhibited in table 3 below.

Table 3. Summary and description of the themes emerging during the interviews, and suggestions for development

THEME	DESCRIPTION	SUGGESTION
Need for quality control	The high level of controlling needed to ensure sufficient quality takes too much time	A few professional controllers who make decisions about the use of resources, communicate between the cooperating business units, and ensure quality
Differing cultures & Communication issues	Different habits, customs, laws and regulation, and languages cause confusion and hindrances in cooperation	Integrating the similar aspects of each culture and learning the habits and customs through further cooperation
	Conversing in foreign language causes anxiety, can be tiresome, and can lead to misunderstandings	Designated contact person with local know-how in both locations to communicate between the different cooperating business units
Buyer confines on CRC	Buyers confine human resource to local workforce	Branding and communicating the benefits of the utilization of the firm's global resources to the buyers
Lack of clear procedure	The lack of a straightforward company policy causes confusion and rigidity in the use of CRC	Forming a clear structured CRC guideline that project management can follow
Cost	Cost benefits from CRC are most often not achieved	Allocating resources to the controller allowing the project management employing CRC to focus on tasks of higher priority

The most common theme, the need for constant quality control, came up in more than half of the ten interviews. The business unit that employs CRC is responsible for ensuring sufficient quality for the buyer. The other relating themes found in the data – the differing culture and communication issues - increase the risk of misunderstandings that can lower the quality of the product ordered from the CRC team. To combat the issues, a few professional controllers and designated contact persons could be assigned to control the resources, handle the communication, and coordinate the cooperation between the local unit and the CRC team allowing the reallocation of local workforce from the supervision of the CRC team to higher priority tasks.

The informants often reported the buyers confining the use of global human resources on the local projects. While the reasons might be related to institutional regulations or even legislation in some cases, they could also be related to preferences. An event reported by one of the informants further implies that the reasons could sometimes be related to preferences or lack of experience. In the incident, the buyer was reluctant to allow the use of CRC on one of their projects but eventually agreed. After the CRC commission ended, the buyer was positively surprised by the quality of the product created by the CRC employee. Therefore, branding CRC in a more positive light, further informing the customers about the function of CRC, and advertising the benefits it brings to the customer is very important.

Finally, a few informants reported the difficulties regarding the accessibility of the cost benefits that are desired and pursued on the company level. In addition to the aforementioned reasons and the lack of a clear procedure in the utilization of CRC, the cost benefits are almost never achieved in practice. The company lacks a guideline that states which types of projects should generally employ CRC, who controls the CRC resources, and who communicates with the team and coordinates its operation. Such clear procedure would disperse confusion and free the project members and management to perform more important tasks while leaving the controlling and coordination to a professional with relevant experience in the position.

5. DISCUSSION

This chapter is the final one and it summarizes the thesis as a whole. The empirical findings as well as their contribution to the existing literature are discussed. Since the study was conducted as a commission to the case company, managerial implications will be suggested for the authority of the case company's management, and the field in general.

The main objective of this thesis was to contribute to the gaping research gap concerning the behavioral aspect of sourcing activities in an international context. More specifically, the reactions that the case company's personnel had toward captive offshoring were identified by conducting a qualitative case study with interviews of ten employees working in WSP Group's Finnish branch. The employees held different positions and possessed varying degrees of knowledge regarding captive offshoring and business activities in general. The cases were analyzed utilizing the cross-case analysis method, and the findings are further elaborated in the next subchapter.

5.1 Theoretical contribution

This study added to the existing behavioral economics literature by identifying the ways in which the reactions of an international organization's employees towards the organization's sourcing activities manifest. The reactions and the causal reasoning behind them have not been researched previously which created a great opportunity to identify the factors that affect the behaviors of the employees. The engineering consulting industry context has also escaped behavioral economists' attention likely due to the field of behavioral economics being relatively young compared to conventional economics. Understanding the phenomenon can be beneficial to organizational management implementing captive offshoring activities into their business model.

Conventional and behavioral economics have identified the reasoning behind sourcing decisions of the management from various perspectives (Ellram, Tate & Petersen, 2013; Foerstl,

Kirchoff & Bals, 2016; Gray, Skowronski, Esenduran & Rungtusanatham, 2013; Gulbrandsen, Sandvik & Haugland, 2009; Tate, 2014; Tate, Ellram, Bals & Hartmann, 2009; Winter, 1998) utilizing transaction cost economics, the resource-based view, and psychology. Jimmieson, Peach, and White (2008) aptly applied the TPB model to study employee intentions to support organizational change. While their research could be extended to some degree to explain behavior in employees' reactions when the organization starts utilizing captive offshoring, the findings in their study cannot fully be generalized to other contexts due to the unreliability of self-report measures from a single source at a single point in time (Jimmieson, Peach & White, 2008). On the other hand, this study also applied the concepts from attribution theory in addition to the TPM model to complement the research of the phenomenon.

In the following part of this chapter, theoretical contributions to the existing behavioral economics literature are presented in-depth following each research question. First, the sub-questions are answered in order after which the discussion moves on to the main research question.

SQ1: What beliefs do the personnel hold about captive offshoring?

The employees of the case company indeed hold various beliefs regarding the company's sourcing activities. Many different beliefs were revealed in the interviews and their influence on the behaviors of the employees vary greatly. As Ajzen and Dasgupta (2015) explained, beliefs are often a product of information gathered via various sources such as experience, social interactions with other people, and education. The most influential source of information identified in the interviews was experience while social interactions also played a role in the formation of beliefs especially in cases where the interviewee had little personal experience regarding the case company's captive offshoring activities. Whether the information gathered through interpersonal interaction or experiences is accurate or not can be irrelevant to the formation of the beliefs according to Ajzen, Joyce, Sheikh, and Cote (2011). This phenomenon was clearly visible as the interviewees explained their beliefs toward captive offshoring.

The most frequently reported belief about captive offshoring in the case company's context was that the activities lower the need for local employees, thus shifting the existing jobs to other countries. Some interviewees realized that captive offshoring enables the company to better compete in the market and receive more projects which in fact increases the work available for the local employees. In line with the findings of Ajzen et al. (2011), the inaccurate information that the interviewees with the fear of losing their jobs possessed was irrelevant and they held on to their inaccurate beliefs. The need for local expertise and knowledge regarding customs, laws, and regulations of the country also came up frequently in the interviews, but the expertise that the international business units' employees provided was not acknowledged by the interviewees threatened by their existence.

The quality of the product received from WSP's international business units was also a source of suspicion. Some interviewees elucidated that the ability of the employees working in business units abroad has often been questioned whenever the products have not been in line with the requisition of the Finnish business unit. The attitude that the Finnish personnel have, and their personality traits play a crucial role in their belief formation. The interviewees with positive personality traits that regarded errors as something that could happen to anybody regardless of country of origin or other demographical factors had no negative beliefs about the ability of the personnel working in an international branch. However, a few interviewees valued the abilities of the captive offshoring personnel negatively due to negative experiences in past projects.

One informant brought up the belief that the buyers will eventually realize that WSP is utilizing its international human resources to bring down costs and start demanding lower prices for their products. Again, this belief was not based on accurate information as many informants mentioned that the buyers often delimit the use of captive offshoring on their projects themselves which contradicts the notion that they will start demanding lower prices for the products. Cognitive heuristics and motivational biases can most likely explain these beliefs as they are not based on realistic assumptions and are even delusional which is in line with the findings of various behavioral economics and psychology studies (Ajzen & Dasgupta, 2015; Fiske & Taylor, 1991; Kruglanski & Ajzen, 1983; Tversky & Kahneman, 1974).

SQ2: Which kinds of attributions do the employees make about the personnel of the firm's international business units?

The attributions that the interviewees made differed from one interviewee to another. In support of the seminal work by Kelley (1967, 1973), internal attributions of diligence, obedience, and capability were made about the intrafirm international cooperators if the quality of their products were consistently up to the standards. The findings of this study also demonstrate Kelley's second type of covariation information, consensus, according to which attributions are made as a group. In one case, the interviewee made a positive internal attribution about the firm's international business unit's personnel as a result of his coworkers' agreement.

Heider's (1958) notion that perceived causality influences the responses and behaviors that people have in the same situation was often supported in the findings of this study. For example, interviewees inferring that WSP utilizes captive offshoring activities to lower costs and the need for Finnish employees were reluctant to use CRC. Some interviewees were also subject to the fundamental attribution error (Heider, 1958; Ross, 1977) while making negative attributions after receiving a product from the international coworker that was not according to the order. The failure to meet the demands was attributed to the coworkers' incapability to carry out the task while the communication of the demands and instructions were not considered to their full extent. However, most of the interviewees attributed the failure to meet the demands to external factors. The culture of the foreign country was suggested as one of the most prevailing factors behind the failure.

In some cases, the interviewees perceived attributional stability in success regarding the cooperation with the captive offshoring team as long as they were properly instructed and supervised. Despite having had problems with captive offshoring, the informants that perceived the attributional stability were relatively optimistic about the cooperation in the future, which supports Arkin and Maruyama's (1979) findings. Furthermore, according to the findings of Weiner (1978), attributions that are internal and stable beget various negative feelings such as resignation, which was supported by the findings of this study. The interviewees that were pessimistic about the development possibilities of WSP's captive offshoring activities and made

internal attributions about the ability of the international business unit's team were reluctant towards captive offshoring.

SQ3: How do the organization's employees react to captive offshoring?

The reactions toward captive offshoring varied in relation with the belief and attribution factors, and they arose different kinds of emotions in the interviewees. However, the interviewees did not describe their feelings to a great detail making the interpretation of their responses slightly difficult. Despite the weak descriptions of the emotions that the interviewees felt about captive offshoring in general, some of their responses clarified the way in which they react toward it.

Most of the interviewees' reactions toward captive offshoring were either neutral or positive. In the neutral cases, the cooperation with the offshore business unit was considered successful when it resulted in a product that was according to the order and significant issues in the process were absent. In these cases, the international cooperation was not thought to differ significantly from cooperation with local business units, thus the reactions were neutral rather than overly positive. In the positive cases, having local expertise on projects in another country was seen as crucial to the success of the project. The laws and regulations of another country cannot fully be assimilated by a Finnish employee which necessitates the utilization of the firm's global human resources. Moreover, one interviewee mentioned a project where a suspicious buyer's expectations were exceeded after receiving the product from the CRC team. Furthermore, the cooperation with a foreign coworker was seen educational in some cases.

The negative reactions are caused by the failure of communication resulting in an inadequate product received from the offshore business unit of the firm, as well as the emotions springing from the causality beliefs held about captive offshoring. The negative emotions of irritation and frustration were felt in the situation of failure, and some interviewees felt that the issues in communication were cumbersome. However, even the negative feelings following issues in the quality of the product were associated with the concept being in the initialization phase and the issues were mostly regarded as inevitable byproducts of a concept taking its first steps of development. The negative emotions about captive offshoring were not directed towards the

employees in the offshore business unit. Rather, the company was seen as indifferent about its local employees, and sometimes ignorant about the financial aspect of the CRC activities. Overall, the reactions toward captive offshoring were mostly neutral.

What is the role of beliefs, attributions, and emotions in the reactions of an international company's personnel towards captive offshoring?

The empirical data supported the role of beliefs, which are further formulated according to an individual's assessment of information gathered via various sources, personality traits, and attributions in explaining the reactions employees have towards captive offshoring. The beliefs and attitudes toward captive offshoring did not manifest in the behavior of most of the interviewees with the exception of one interviewee who told that they did not want to supervise the person or group of people in the CRC team in the future. Rather, they manifested in the content and tone of their speech. The motivational biases and cognitive heuristics identified and emphasized by many scholars (Ajzen & Dasgupta, 2015; Fiske & Taylor, 1991; Kruglanski & Ajzen, 1983; Tversky & Kahneman, 1974) were clearly present in the formation of the beliefs and attitudes of the employees.

The information readily available to individuals affects their perceptions of various matters, as stated by van den Bos et al. (1997), and these perceptions affect the attribution process. The information which was most readily available to the interviewees were experiences from past projects and their deeply held beliefs and attitudes about captive offshoring. Utilizing this information, the employees made either internal or external attributions depending on how they valued the person or event, which is in line with the findings of Fishbein and Ajzen (1975), and Heider (1958).

However, the role of emotions was found to be fairly weak in the empirical data. Positive experiences were those in which captive offshoring produced the desired results but the emotions the positive experiences evoked were very mild. The interviewees may not have been able to recall their emotions following a successful project, they could not describe them, or they were purposefully downplayed. On the other hand, negative feelings did evoke from

unsuccessful cooperation, inaccurate beliefs, and attitudes toward captive offshoring. Depending on the personality traits the interviewees possessed, the role of negative factors was valued differently. Most of the interviewees saw the cooperation as neutral despite the negative factors. However, a few interviewees gave a greater emphasis on the negative factors which resulted in the evoking of negative emotions. In the following chapter, the implications of these findings are discussed from the managerial perspective.

5.2 Managerial implications

The goal of the managerial implications suggested in this chapter is to propose strategies to the commissioner company to mitigate the resistance against captive offshoring among the company's personnel, hence the implications are directed to the engineering consulting industry. For this goal, the identification of the employees' beliefs about captive offshoring was highly important. As de Leeuw, Valois, Ajzen, and Schmidt (2015) stated, beliefs that promote the desired behavior can not be facilitated until the beliefs are identified. The interviewees had plenty of suggestions for the development of CRC and they are discussed along with the suggestions that did not come up in the interviews. The findings form the foundations for recommendations for the development of the company's captive offshoring activities, but they are not comprehensive by themselves.

The interviewees had different notions of what CRC is, especially about the purpose of its use. Some only attributed lower costs to the CRC activities while others regarded it as a resource reserve that can be utilized in a pinch. The perception the employees had about CRC influenced the beliefs that were formed in their minds. Therefore, understanding the beliefs the employees hold about CRC is extremely important in order to correct any misconceptions and alleviate possible tensions between the Finnish and CRC business units. WSP's role as an educator in the topic of CRC is further emphasized, and the education should be directed at least to the employees in contact with CRC activities.

The lack of an integrated procedure concerning the utilization of CRC resources caused a lot of confusion among the Finnish employees. They wished there would be clear instructions and

rules according to which the CRC workforce should be utilized. The interviewees suggested a rule that states the size of the projects above which CRC could always be utilized. Once the project management had made the decision to involve the CRC team on the project, the supervision was left to the responsibility of whomever made the order. On some projects, a contact person with experience of both of the cooperating countries that handled the communication and supervision. Having the contact person was highly appreciated, and the interviewees suggested such a person on every project involving CRC.

One interviewee revealed that the cost benefit pursued with the use of CRC has not been achieved to its full extent. On several projects the cost reductions were eliminated due to the increased workload that the additional controlling caused. The interviewee was also concerned with the contract between the company's Finnish branch and the CRC unit. If no price ceiling had been agreed upon, the interviewee stated that the CRC team is under no pressure to perform the tasks efficiently. As a remedy, the interviewee suggested a fixed price or a price ceiling for the CRC projects. The CRC team would then have to optimize their performance to fit the budget.

All in all, the concept of CRC is taking its first steps in many business units, and most of the interviewees realized that the process takes time and issues will surface from time to time. Listening to the employees with hands-on experience from CRC can be highly productive. Despite the managerial intentions, the benefits from CRC might not always be achieved and the employees often have great input as to the reasons behind the unsuccessful implementation of the international activities. The findings of this study can be kept in mind in the decision-making about the development of CRC, but they should not be blindly followed.

6. CONCLUDING REMARKS

This chapter concludes the study by further elaborating the effects that the findings have on the case company. Influencing the behavior of the employees is also discussed to achieve the desired results from the activities involving the company's international business units. Finally, the most obvious limitations hindering the generalizability of the findings are discussed and directions for future research are suggested.

6.1 Effects of the findings on the case company

WSP's captive offshoring activities are a key function in the competitiveness of the company and ensuring seamless cooperation with the business units is highly appropriate. The findings of this study suggest that the cooperation does not always function properly due to circumstances that are avoidable through influencing the behavior of the employees. The management's role is critical in the formation of beliefs in the employees' minds and allowing the employees to jump to conclusions on their own needs to be addressed. The implementation of the organization's strategy, and especially communicating the importance of the role of CRC in its successful implementation is imperative. The employees do not have a clear understanding of the strategy currently which is apparent in their differing answers as to what CRC means and what are the most important reasons for its implementation.

After ensuring that the company's strategy regarding CRC is understood by the staff, especially those working closely with CRC, designating a person in every business unit solely responsible for the communication between the local unit and the CRC unit could be beneficial. The local employees likely find communicating with the contact person much easier and they probably trust the person more, which is evidenced by the interviews. Some of the interviewees had very positive experiences when they had an Indian contact person in their business unit that had lived in Finland for a few years and knew both the Finnish and Indian ways of working. The employees are usually satisfied with the products received through CRC, but the communication process frustrates them. Thus, having the contact person that can be trusted and easily communicated with could make the employees more content.

6.2 Limitations and future directions

The validity of self-reports has often been questioned (Jaccard, McDonald, Wan, Dittus & Quinland, 2002; Schwarz, Groves & Schuman, 1998). People tend to be unable to recall their past behavior, and perhaps more importantly they often deliberately report their behavior inaccurately for self-presentation concerns (Fishbein & Ajzen, 2010; Ajzen & Dasgupta, 2015). The issue was present in all of the interviews as the interviewees were unable to recall the emotions they felt during the cooperation with the case company's international business units. Furthermore, the interviewees with negative beliefs about the purpose of CRC reported neutral feelings about the cooperation, possibly due to the aforementioned self-presentation concerns. The goal of the study was to understand employees' reactions toward captive offshoring and the reasons causing those reactions. The goal was achieved but the findings are highly context-specific and cannot easily be generalized.

The data collected was quite narrow as only ten interviews were conducted from within the case company. Organizational culture can differ even between companies in the same industry further limiting the generalizability of the findings. The interviewees were encouraged to relax and speak freely but they may have held back their negative thoughts about the international cooperation. Future research should conduct a larger number of interviews within the company involving the international business units' employees as well. This study was delimited to the Finnish employees to understand the phenomenon more accurately from a specific point of view.

The buyers' reactions towards captive offshoring and its purpose should also be studied in the future. In several interviews, the informants reported that the buyers often limit the use of WSP's global human resources on the projects through contracts. The reasons explaining the limitation was not clear and understanding it could lead to better cooperation between the buyer and the supplier. Whether the reasons are thought to be emotional or rational, restricting the utilization of the company's resources hinders productivity and should be understood.

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APPENDICES

Appendix 1. The interview structure.

Due to the interviews being conducted in Finnish, the questions below are translated.

Background information

- What is your position at WSP?
 - What tasks does your position include?
- What kinds of projects do you have in your business unit?
- What does CRC mean? Explain in your own words.

Intraorganizational cooperation

- What is the role of CRC in your work/business unit?
- In which situations is CRC being utilized?
 - How?
- Which countries do you work with while exercising CRC activities?
 - Why were this country chosen?
- What are the most important reasons for the use of CRC?
 - How are these benefits realized?
- Which kinds of tangible benefits has CRC brought?

Experiences

- How are your personal experiences regarding the cooperation with the firm's international business units?
 - Could you tell an example?
 - Any challenges?
 - Which circumstances led to the challenges?
 - How did it make you feel?
 - What about success?
 - Which factors enabled the success?
 - How did the success make you feel?
- Have you had other experiences?

- Has there been any barriers to the use of CRC?
- Have you any suspicion or doubts concerning CRC, or has it raised any questions?
 - Where do these thoughts come from?
- Which characteristics or qualities do you appreciate in your international coworkers?

Other questions

Do you have anything else to tell about CRC? Have you some ideas for the development of CRC activities?