

Foreign Direct Investment and the Undertow of History: Nationhood and the Influence of History on the Czech-German Relationship

Anna Soulsby

Abstract

Since the fall of Communism in 1989, the Czechs have received considerable foreign direct investment from Germany. But the historical relationship between the Czechs and Germans has long been a difficult one. The legacy of the past still overshadows the relationship between the Czech Republic and Germany even after the accession of the Czech Republic to the European Union. The paper examines how Czech managers in a joint venture with a German organization drew upon narratives and metaphors of the history of their relationship and historical stereotypes of German behaviour rather than economic explanations to understand and explain their experience of a failed joint venture.

Keywords

Czechs; Germans; historical relationship; joint ventures; sense-making; Post-communism; stereotypes; national identity.

As we are coming to the middle of the century it seems as though the spectre of nationalism is once again falling across Europe. The purpose of this paper is to explore how the legacy of history and national identity in a transforming post-communist society (the Czech Republic) still affects attitudes towards a more historically more powerful neighbouring European country. The analysis is carried out from a business history

perspective by looking at narratives of company managers in the Czech Republic who took part in a failed joint venture with a German multinational company.

As Berger (2009, p. 492) notes, individual memory is different from history because it necessitates presence in and the experience of an event. However, collective memory includes elements or events that individuals did not directly experience. But individuals can internalise this collective memory which is presented to them through a mixture of public and private narratives. Therefore collective memory is always contested and the result of attempts to give meaning to the past. The empirical basis of the paper is an account of a Czech-German joint venture. The paper will explore how the Czech managers drew upon national historical perceptions and stereotypes of the Czech-German relationship in order to make sense of their experience of participation in a failed joint venture. The managers' developed a consistent internal narrative account of the experience to explain their strategic decisions and responses (Kroeze & Keulen, 2013, p.1266 and p.1281; Ooi, 2001). The role of narratives in developing shared understanding and collective sense-making is an important element in developing legitimacy and acceptance (Boyce, 1995). Their interpretation of the reasons for the joint venture failure was not an economic one but rather an explanation based on national history and identity; it was interpreted as inevitable because of the historical weakness of the Czechs in their political and economic relationship with the Germans and their experience of German behaviour.

The paper is structured in the following way: first there is a discussion of organizational sense-making and the use of narratives, followed by a review of foreign direct investment in the post-communist societies of Central and Eastern Europe and then the historical relationship between the Czechs and the Germans. Then there is a

description of the research study and methods and then the story of the joint venture. This is followed by a discussion of the Czech managers' sense-making attempts to understand their experience through the use of language that drew upon their view of the historical relationships between the Czechs and the Germans. Then there is a discussion and a concluding section.

Organizational Identity, Sense-making and Narratives

An 'organizational identity' refers to the central, distinctive and relatively enduring characteristics attributed to it by its members (Albert & Whetten, 1985). In the case of this paper the focus is on senior managers perceptions of organizational identity (Gioia, Thomas, Clark & Chittipeddi, 1994). An organizational identity tends to have stable and enduring features, though, as recent literature has discussed, these features are also precarious and mutable (Gioia, Schultz & Corley, 2000). A commonly-held organizational identity is likely to be put under strain pressure by new and challenging circumstances; changes in organizational identity are then likely to shape the nature of future experiences. Sense-making theory provides the sociology that underlies identity dynamics. Senior managers draw on their organizational identity to adapt their organizations to changing circumstances (Dutton & Dukerich, 1991) Through this perceptual lens, managers filter information gleaned from other internal and external stakeholders and make sense of the organization and its environment (Scott & Lane, 2000; Starbuck & Milliken, 1988). For example, through its sense-making activities, the organization can construct an understanding of a foreign multi-national corporation's (MNCs) perceptions of and motives towards the local organization (Dutton & Dukerich, 1991). Since local managers perceive MNC managers' acts through the lens of their organizational identity, their sense-making is also likely to assert meanings that are

resonant with the historical, cultural and the contemporary economic context. If the foreign multi-national acts in a way that interrupts normal economic expectations then a discrepancy arises which leads to sense-making activity by the local organization in order to interpret and understand the actions of the MNC (Weick, 1995). In addition, if the events or actions are seen as sufficiently critical this can lead to an interpretive watershed or 'reflective' shift in the sense-making (Seo & Creed, 2002).

The main research materials for this study come from the narrative accounts of the respondents making sense of their experience of a failed joint venture during the early years of the post-communist transition together with interviews with people in the local community and other organizations. Transforming post-communist societies can be sensitive research settings but the passage of time, together with a visit-revisit approach, allow for the disclosure of sensitive information and opportunities for reflection by respondents (Maclean, Harvey, & Stringfellow, 2017).

Conducting fieldwork on process in organizations, whether longitudinal and/or comparative in nature, requires researchers to organize and make sense of complex and fragmentary data before they can start to theorise about process. Many qualitative researchers are therefore attracted to constructing narrative accounts to make sense of their 'raw' process materials, which consist largely of respondents' stories of events, actions and choices (Langley, 1999). The term 'narrative' has been used in a variety of ways. It can describe field notes or interview data in the form of written descriptions, a data organization device, a body of data that has been collected for analysis and interrogation of themes or the form of the final research report (Clandinin & Connelly, 2000). Researchers working in the ethnographic tradition have long used narrative as a descriptive device, but, in recent years, other scholars have become interested in

exploring narrative as a particular type of discourse: the story form. As narrative constructs, stories contain a chronology of events, reports of remembered events, and the human responses to those events. Narratives maintain the complexity of human action; they connect situation, choice and motivation with chance happenings and are arranged by the author/respondent/speaker into a meaningful temporal sequence (Bruner, 1986; Polkinghorne, 1988; Polkinghorne, 1995; White, 1980; White, 1984). Narratives that are first-order accounts derived from interviews will have, at least in the mind of the respondent, their own internal logic or 'plot', because people "frame events into larger structures of meaning which provide an interpretive context" (Bruner, 1990, p. 64). However, these accounts are powerful because they are not just representations of past events; they also include an evaluation of them, conveying the respondent's moral attitude towards the events and an assessment of the actions and relevance of the protagonists in the story (Linde, 2001, pp. 162-163).

The process of sense-making, whereby a respondent constructs stories for the interviewer about particular events or choices, comprises a combination of recollection based on memory and the application of retrospective rationality through which the respondent's current position and views affect the post-hoc interpretation of her/his past decisions and actions (Weick, 1995). However, the emergent nature of this social process can lead to problems with accuracy, because retrospective accounts that involve the attribution of intentions and motives can be particularly prone to cognitive biases, faulty memory and political rationalisation (Golden, 1992; Miles, 1979). The process of sense-making is also affected by the societal, contextual, and interpersonal elements of the interview situation itself because the interview is the product of relation and interaction and so the final construction is as much a product of this complex social

dynamic as it is the product of accurate replies and accounts (Alvesson, 2003; Fontana & Frey, 2000, p. 647).

For many organizational researchers, narratives are not just types of explanation but are the most appropriate form for representing the temporal process of actions and events in organizations (Brown, 1998; Czarniawska-Joerges, 1995; Van Maanen, 1988). As narratives embody sequence and time, they are naturally suited to the development of process theory, encoding different kinds of data that are relevant to a wide range of organizational phenomena. Moreover, process explanations that draw on narrative data remain particularly close to the phenomena they purport to explain (Pentland, 1999). As Pentland (1999, p. 716) notes, narratives not only provide researchers with a wealth of materials but they are also a reflection of shared meanings in organizations and ways of talking about organizations (Weick, 1979). For example, an important part of socialisation for new organizational members is the process of learning how to tell stories about the organization, demonstrating their successful acquisition of tacit knowledge and organizational values (Linde, 2001, pp. 162-163). Narratives reveal organizational processes and, at the same time shape them, because they are constitutive of the social world (Brown, 1995). For the researcher, the very process of using an explicitly narrative approach is a constant reminder of the importance of and necessity for self-reflexivity in organizing materials and theorising about organizational life (Alvesson, 2003, Chia, 1996; Cunliffe, Luhman & Boje, 2004).

If a study is a longitudinal one the researchers can always go back to the source materials from their earlier visits and by comparing respondents' contemporaneous accounts with the historical accounts given by respondents they can trace developments in the original ideas, track the historical event sequences, attributed motives, etc. and identify discontinuities and continuities in narrative plots. Researchers can also revisit

their own field notes and their second order accounts from each visit and track changes in their ideas and inferences recorded over the course of the study, maintaining a continuous process of reflexivity both in and out of the research setting (Soulsby & Clark, 2012). The development of temporal layers through revisits to the research setting, combined with the multi-faceted focus derived from the collection of different respondent and researcher accounts, together constitute an important safeguard against the methodological limitations of qualitative longitudinal research that is wholly dependent for its temporal dimension on respondents' retrospective accounts and materials from a single visit. When process theory is derived solely from historical data, it is only as valid as the ability and willingness of respondents to remember events at all, to recall them accurately and not to distort what might have been highly politicised organizational events (Golden 1992; Huber, 1985; Leonard-Barton, 1990). Moreover, whilst some studies show that participants do not forget key events (Huber, 1985), others (Golden, 1992) indicate that a turbulent context can affect the accuracy of recollection. Another significant limitation of research based only on retrospective accounts is that the respondents may not recognise an event as important at the time of interview (Leonard-Barton, 1990, p. 250). However, the passage of time can also enable respondents to speak more freely about past events and to reflect upon past experiences (Maclean, Harvey, & Stringfellow, 2017).

As Maclean, Harvey and Stringfellow (2017, p.1219) note "narration facilitates sense-making" and "narratives are central to agents making sense of the past". This paper follows on in the emerging field of the 'narrative turn' in business history (Clark & Rowlinson, 2004; Hansen, 2012). The increasing interest in research in organizations and history (Godfrey, Hassard, O'Connor, Rowlinson, Ruef, 2016; Maclean, Harvey &

Clegg, 2016; Suddaby, 2016) follows an awareness of the need to understand organizations and processes within their historical context and to develop more interdisciplinary approaches using historical research (Bucheli & Wadhvani, 2014; Kieser, 1994; Rowlinson, Hassard & Decker, 2014; Zald, 1993). This paper contributes by using narrative materials from a longitudinal study of an organization in a rapidly transforming post-communist society to explore local reactions and sense-making to the experience of a joint venture undertaken with a company from a historically more powerful neighbouring country. It also contributes through being a study from the perspective of the weaker joint venture partner and by looking at the continuing historical effects of the countries' mutual history at a local level.

Foreign Direct Investment and the Post-communist Societies of Central and Eastern Europe

There has been substantial research in to studying the effects of foreign direct investment and international joint ventures from organizational and management perspectives (Guillén, 2003; Si & Bruton, 1999; Yan, 1998). Post-communist societies have offered particularly attractive opportunities for multinational corporations that have selected the joint venture as the entry mode most likely to reduce the difficulties associated with operating in transforming or emergent societies (Brothers & Bamossy, 2006; Steensma & Lyles, 2000).

After the collapse of the communist regimes in Central and Eastern Europe there was strong national pressure in the region to attract foreign direct investment. The managers of the larger enterprises came under increasing pressure from their governments to attract foreign direct investment (FDI) in the form of strategic partnerships with multi-national corporations (Drahokoupil, 2008; Pavlínek, Domański

& Guzik, 2009). Foreign direct investment was viewed as an efficient and quick way for domestic companies to gain access to capital investment, potential knowledge spillovers and Western managerial practices (Drahokoupil, 2008; Skalník Leff, 1998). However, the evidence of the actual advantages gained by Central and Eastern European companies in these relationships has not been consistently positive (Jindra, 2005; Jones & Khanna, 2006; Narula & Driffield, 2012; Puig & Álvaro-Moya, 2018; Sinani & Meyer, 2009). The joint ventures that were formed were often asymmetrical ones with the Western partner in dominant organizational control and with the post-communist partner often as a passive recipient of knowledge (Lecraw, 1984; Parkhe, 1991; Rugraff, 2008). Foreign investors were often only interested in gaining subsidised or incentivised access to new markets (e.g. via tax incentives) or utilising a cheaper local labour force rather than engaging in new local research and development to upgrade local skills and know-how (Castellani & Zanfei, 2006; Rugraff, 2008).

As a post-communist central-eastern European country, the Czech Republic has attracted a large amount of foreign direct investment since 1990. It is the most successful CEE country in terms of FDI per capita (CzechInvest, 2018: 6). The inflow of investment from 1993 to 2016 was estimated as 115.6 billion euros (121.8 billion US dollars) by the Czech National Bank (CzechInvest, 2018). During those years, the Czech National Bank estimated that 31% of the investment went into the manufacturing sector and Germany was the third largest investor by cumulative FDI flow by country (14.1%) (CzechInvest, 2018). As Rugraff (2010) noted, the Czech Republic had succeeded in building a new comparative advantage in motor vehicle and motor component production since 1998. The top manufacturing exporting industries in the Czech Republic in 2015 were motor vehicles (24%) and computer, electronic and optical products (15%) (OECD, 2017, p.7). The role of foreign-owned firms varied across Czech industry but was mainly focused

in the motor vehicles industry. The import content of exports was relatively high across these industries, illustrating the role that importing plays in supporting exports and indicating the degree of global value chain integration in these industries (OECD, 2017). But Czech-owned companies make only a limited contribution to the Czech upgrading of the automotive industry (Rugraff, 2010); ninety percent of the value added comes from foreign-owned firms (OECD, 2017, p.1). The Czech-owned companies are now totally absent from the automotive first-tier suppliers (foreign-owned multinational subsidiaries) and only connected through casual technological relationships with foreign-owned multinational subsidiaries. The consequences of this are that vertical spillovers from foreign-owned multinational subsidiaries are limited. Secondly, there is potentially very little to stop the relocation of foreign-owned subsidiaries to other countries who can offer them better economic advantages for investment (Rugraff, 2010, pp. 635-637).

To understand the processes of foreign direct investment, as Lopes (2010, p.73) has observed, business historians have drawn upon theories from international business theory to explore the development of organizations but there are fewer examples (with some exceptions e.g. Casson, 1986; Dunning, 1998; Hennart, 1986) of international business researchers drawing on business history (Jones & Khanna, 2006). Research into foreign direct investment by business historians have used theories such as the eclectic paradigm (Dunning & Lundan, 2008) and the Uppsala model (Johanson & Vahlne, 1977; Vahlne & Johanson, 2017) to explore the process of foreign direct investment of multinational enterprises. The Uppsala model has been criticised but it is the dominant conceptual lens for studying the process of internalisation by firms (e.g. Coviello, Kano, & Liesch, 2017, p.1151). The model has evolved, been extended and revised over time so the multi-national enterprise has become the 'multinational business enterprise'

(MBE) (Vahlne & Johanson, 2017). It has also been revised to take a more processual view of changes at the micro-level (e.g. Welch & Paavilainen-Mäntymäki, 2014, p.3). In the revised Uppsala model the authors also consider issues around the influential concept of path dependence (Sydow, Schreyögg & Koch, 2009) but argue that the concept of “history dependence” (Cyert & March, 1963; Vahlne & Johnson, 2013) better captures “the evolutionary nature and its potential for revolutionary adaption to its changing environment” (Vahlne & Johanson, 2017, p.1089).

However, foreign direct investment relationships can contain more cultural and historical complexity than appears in the mainstream international business literature (e.g. Jones, 1989; Jones & Khanna 2006; Wilkins, 2010). Business historians have called for a more long-term view which would enable the study of long run effects and uncover “the roots of Penrosian resources” (Jones and Khanna, 2006, p. 465). As foreign direct investment from emerging countries has increased there has also been an increasing interest in the businesses behind the expansion and acquisitions. Business historians have explored the local historical context for the development of these multi-nationals (e.g. the role of family groups and networks), noting that to understand their growth it is necessary to look the countries’ national histories and the relationships with former colonial powers and (Fernández Pérez & Lluch, 2016, p.1; Casanova, 2009). Researchers such as Lubinski (2018) and Casanova (2009) have explored foreign direct investment and colonial contexts. Lubinski (2018, p. 622) studied German investment in India (late 19th century-1960s); widening the historical perspective in that the history of India is often framed within the context of its relationship with Britain, the British Empire and colonialism/post-colonialism. Casanova (2009, p.11; p.32; p.53) has researched foreign direct investment from the perspective of developing Latin American countries who were seen as ‘natural markets’ for Spanish multinationals to operate in,

despite their geographical distance, as they were former colonies. However, she also notes that some Latin American multi-nationals – ‘Global Latinas’ - have become so economically powerful they have also reversed the traditional colonial power relationship through acquisitions of major companies in Spain (e.g. the national satisfaction felt by the Chief Executive of the Mexican company CEMEX on 500th anniversary of Columbus’s ‘discovery’ of Latin America corresponding with the purchase of Spanish companies) and Portugal (Casanova 2009, p.32; p.53).

The complexity of historical- cultural relationships, national identity and foreign direct investment is not diminished by proximity even in neighbouring countries (e.g. Chapman, Gajewska-Mattos, Clegg, & Buckley, 2008; Gajewska-Mattos, Chapman, & Clegg, 2004). Lubinski (2014, p.723) notes that organizations can also face a “liability of foreignness” which can be under-appreciated by managers because of proximity and apparent “closeness”. Also, sharing a language does not necessarily make for easier commercial relationships as the legacy of history will be present in relationships and will have an impact (Lubinski, 2018, Jones, 2015). An important issue that is that of national collective memory and the influence of historical attitudes to powerful foreign neighbours and there “are few places where memories are so powerful and historical sensitivities so raw as in Central and Eastern Europe” (Langenbacher, 2008, p.50). This is especially so in the case of the history of the relationship between the Czechs and Germans (Auer, 2010; Fawn, 2003; Matušková & Rousová, 2013; Musil & Suda, 1998). In the post-communist Czech Republic, the inward flow of foreign direct investment since 1989 from economically powerful German companies has required Czechs to work in the acquired companies, subsidiaries or joint ventures, thus disturbing the deep historical and cultural currents of nationalism and mistrust that still exist under the surface of rational economic activities (Brown, 1958; Cordell & Wolff, 2005; Krejčí &

Machonin, 1996; Nagengast, 2003; Noskova, 2000; Phillips, 2001; Zahra, 2004). Unlike the organizations studied by Casanova (2009), the Czech companies did not have the resources to develop into large-scale multi-national enterprises.

The next section of the paper discusses the historical relationship between the Czechs and Germans in order to set the context and understand the reasons for the persistence of this mistrust even though the Czechs have received considerable foreign direct investment.

The Relationship between the Czechs and Germans and the Development of Czech National Identity

The historical relationship between the Czechs and the Germans has been a very a difficult one (Glassheim, 2000; Heimann, 2009; Wingfield, 2000; Wiskemann, 1938). The history of the Czechs has been one where they have been “grains of dust” between the “two great millstones of history: Russia and Germany”, as part of the Austro-Hungarian Empire; then occupied by Nazi Germany and then as part of the Soviet Bloc (Lunak, 1992, p.129). The development of Czech nationhood and identity has been forged against the perceived domination of German culture and authoritarianism (Zahra, 2004). For Czechs, the important historical moments of their nationhood and identity are defined by the struggle for independence and understood through the sequence of key historical events. The 1620 “Battle of the White Mountain” (Bitva na Bílé hoře) during the Thirty Years’ War (1618-1648), is an important event for Czechs in the collective narrative of their national history (Glassheim, 2000; Mamatey, 1981, Sayer, 1998; Wiskemann, 1938). The Czech nobility was comprehensively defeated by the forces of the Habsburgs, beginning what the Czechs refer as their “Age of Darkness” that lasted until their success at the Battle of Zborov in 1917 (Glassheim, 2000;

Wingfield, 2003; Zahra, 2004). Another key event in their national history is the establishment of First Czechoslovak Republic (Czechoslovakia, 1918-1938) (Wiskemann, 1968). The First Republic is usually presented in Czech history as the pinnacle of Czechoslovak achievement and a great source of national pride. The First Republic is regarded as a successful interwar democracy in central Europe that survived until the Munich Agreement of 29 September 1938 (Heimann, 2009). However, under the surface, the new democracy had serious potential problems built in to its political and social structures. The end of the multi-national Austro-Hungarian Empire meant that ethnic German citizens living in Bohemia, Moravia and Silesia, together with those in the mixed border lands, found themselves absorbed into the new republic of Czechoslovakia. The population of Czechoslovakia, according to the 1921 Census, was comprised of 50.3% Czechs, 23.4% Germans and 15.2% Slovaks. The remaining ethnic groups were comprised of 5.6% Hungarians; 3.4% Rusyns (Russians and Ukrainians); 0.6% Poles; 1.3% Jews and 0.2% of individuals who did not specify their identity. (Harna, 2011, p.400). As Glassheim (2000, p.467) points out, the new Republic had in its “core three million ethnic German citizens and seven million ethnic Czech citizens” who “lived in parallel and largely separate societies, each with its own fully developed social structure, economy, and national mythologies” (See also Kučera & Pavlík, 1995). The First Republic was destroyed by a combination of internal and external forces as political and economic tensions increased in the 1920s and 1930s (Heimann, 2009, p.110). The political crisis which led to the “Munich Agreement” (30th September 1938) and gave parts of Czechoslovakia (the Sudetenland) to Hitler, was seen by Czechs as a betrayal by the great powers and a national humiliation for them. This was followed in March 1939 by the Nazi invasion and the establishment of the Protectorate of Bohemia and Moravia (16th March 1939-8th May 1945) (Heimann, 2009). The Czech lands were

occupied by the Nazis until the Third Republic was established after Czechoslovakia was liberated on the 9th May 1945 by the Soviet army.

An event that has been a particularly lasting and resonant source of deep historical anger and bitterness for both the Czechs and the Germans was the forced expulsion in 1945 of ethnic Germans from the Czech lands after Czechoslovakia was liberated. This was an ethnic “cleansing” (očista) that had strong support from the Czechs (Abrams, 1996; Heimann, 2009, pp.154-166; King, 2002). The ‘Potsdam Protocol’ of August 1945 gave the “leaders of Czechoslovakia the right to conduct the ‘humanitarian expulsions’ of Germans” (Nagengast, 1998, p. 182). It was a time of passion for many young Czechs who saw the world in terms of rejecting Nazism and were attracted by the idealism of communism and the task of building a new republic (Mlynář, 1980). The expulsion of the ethnic Germans was seen as a necessary political measure for the protection of Czechoslovakia (Abrams, 1996; Kind-Kovacs, 2014, p.213). In fact, the violent expulsions of ethnic Germans had already begun earlier in the early summer (Gerlach, 2010; Orzoff, 2009). These expulsions (‘Vertreibung’) were euphemistically referred to by the Czechs as the ‘wild’ or ‘illicit transfer’ (‘divoký odsun’) (Glasheim, 2000; Kopstein, 1997). From May to December 1945, it was estimated that over 700,000 ethnic Germans were expelled from Czechoslovakia to Germany and Austria. The violent treatment of the ethnic German prisoners, including imprisonment in camps, violent assaults, forced long marches and summary executions was responsible for the deaths of over 30,000 people (Glasheim, 2000, p.463; Ryback, 1996/1997, p.170). According to military reports, the unleashed fury and violence of the Czechs and their desire for vengeance caused concern in the liberating Soviet army (Heimann, 2009, p.156; Noskova, 2000, p.111). The depth of hatred was demonstrated by the fact that all ethnic Germans were presumed to be collectively guilty of treachery

and collaboration unless actually proved innocent (Heimann, 2009; Myant, 1981, pp.63-67; Wiskemann, 1956). As part of the retribution, ethnic German Czech citizens were summarily deprived of their citizenship and their property and required to wear white armbands with the letter 'N' for Nemeč (German) on them (Applebaum, 2012, p.129; Heimann, 2009, pp. 157-158 and pp. 161-162; Hrabovec, 2000, pp.67-68). National politicians also inflamed the ethnic violence; for example the Prime Minister commented at the celebrations for the 325th commemoration of the "Battle of the White Mountain (1 July 1945):" The wrong inflicted upon us after 'White Mountain', which was again to have been repeated under the Nazi regime will be completely rectified....Czechs and Slovaks will again be the masters of their own land" (Heimann, 2009, p.157. See also Applebaum, 2012, p. 128; Sayer, 1998, p.240).

In 1946, the 'wild transfer' (Frommer, 2005) was followed the 'organized transfer'; and over two million ethnic Germans were expelled (Bryant, 2004; Gerlach, 2010; Luža, 1964; Spurný, 2012; Suppan, 2006). The forced population transfers were used to remove ethnic minorities to ensure national homogeneity (a Slavic nation state) and had the support of the Allied powers (Hauner, 2009, p. 620 & p.655; Lániček, 2017, p.280). On 9th May 1948 the Third Republic ended when the Communist Party took control and Czechoslovakia became "the last country in Europe to fall to behind the Iron Curtain" (Heimann, 2009, p.150). The ethnic Germans who were permitted to remain in Czechoslovakia suffered from discrimination and oppression under the communist regime (Frankl, 2014; Spurný, 2012).

But the ethnic Germans in Germany and Austria who were expelled in 1945-1946 did not forget their homes and land. They developed narratives about their lost

homes (their 'Heimat' or homeland) and continued to lobby politicians vigorously for the return and restitution of their homes and land even after the Velvet Revolution of 1989 (Glassheim, 2015; Svašek, 2002; Svašek, 2010; Wood, 2005). However, the clear official position of the Czechoslovak government from 1948 (with the assumption of power by the Communists) until the Velvet Revolution of 1989, was that the expulsion of ethnic Germans was a justified response to the privations of war and the actions of the Nazi-administered Protectorate of Bohemia and Moravia (Kopstein, 1997; Wingfield, 2000). This political response formed the official historical discourse of Czechoslovak society to the expulsions until 1989 although, by the 1970s, the dissident group "Charter 77", had started to challenge this perspective (Glassheim, 2015).

The Czech-German Relationship After 1989

The collapse of the Soviet Bloc led to the re-emergence of national sentiment and the pre-1918 and pre-1945 history of the Czechs became more of a focal point in Czech national culture, especially in relation to their more powerful neighbour, the Federal Republic of Germany (Bechev, 2015; Holly, Nekvapil, Scherm & Tišerová, 2003; Rupnik, 1995). After the Velvet Revolution in 1989, and the establishment of the post-communist republic of Czechoslovakia, the strong re-emergence of national sentiment and identity meant that the bilateral relationship between the Germans and Czechs actually deteriorated in the early 1990s (Kopstein, 1997; Kunštát, 1998). The efforts to engender national reconciliation, through public apologies at inter-governmental level, brought to the political and cultural surface of Czech society's memories of Germany's behaviour both before and during the Second World War. But, at the same time, it also brought to the political and cultural surface the unacknowledged

behaviour of the Czechs who had forcibly expelled ethnic Germans citizens from the Czech lands in 1945-1946 (Holy, 1996, pp.123-124; Nagengast, 2003; Renner, 2011). By the mid-1990s, the German and Czech governments had made a number of national attempts to build a more positive relationship and address each other's perceived wrongs (Fawn, 2003, pp.215-218; Hochfeld, 2004/2005; Kunštát, 1998). However, the continuing dispute over the Beneš decrees potentially threatened the possibility of Czech accession to the European Union (Hanley, 2007; Nagengast, 2003; Ryback, 1996/1997; Suppan, 2006).

In 1997, the German and Czech governments signed the "German-Czech Declaration on Mutual Relations and their Future Development". This declaration was intended to formally acknowledge the role of Germans in the invasion of Czechoslovakia and World War Two and also to formally acknowledge the 'forced resettlement' of Sudeten or ethnic Germans by the Czechs and the expropriation of property and suffering and injustice. It was also agreed by the governments that these matters from the past should no longer be a burden on their current relationship (Matušková & Rousová, 2013). But the deep bitterness on both sides about the past events was never very far away (Cordell & Hausvater, 2006; Hochfeld, 2004/2005; Kift, 2010; Musil & Suda, 1998; Phillips, 2001; Ryback, 1996/1997). The governmental apologies have also had the unfortunate consequence of rousing strong national historical sensitivities to the cultural surface but without the effect of real reconciliation (Karn, 2006; Kind-Kovacs, 2014; Renner, 2011; Suppan, 2006). However, there has developed a new interest from the Czech perspective in trying to understand the history of the period and the effects of "Wild Transfer" as younger historians study the events (Glassheim, 2000; Myant 2008, Spurný, 2012). Reports in the Czech local and national media also serve as a reminder

of the events of 1945 as the bodies of ethnic Germans, who died during the period of the forced expulsion, are still being found (Borufka, 2010).

The Research Design and Setting

The empirical basis for the paper is an on-going longitudinal processual study of organizational transformation that started in 1992 in (the then) Czechoslovakia. The project is focused on exploring changes in former state-owned enterprises (Clark & Soulsby, 1995; Clark & Soulsby, 2007; Soulsby & Clark, 1996; Soulsby & Clark, 2006). The organizations have gone through radical changes including privatisation and changes in management and ownership (Clark and Soulsby, 1999). In 2000, there was a new research opportunity to extend the project and visit a town, Hornice, in the Vysoký region (all names have been anonymised as a condition of access and to preserve confidentiality (Saunders, Kitzinger, J., & Kitzinger, C., 2015)). The first two field visits (one of nine) to Hornice took place in June and September 2001 and the last visit was in September 2018. During the first visit in 2001, the research strategy (contextualisation) was to develop an understanding of the history of the development of the town, the former state enterprises, new businesses and the development of the local economy. We visited the state archives and collected historical, social and economic information and then developed field notes about the history of the town, including key historical events and the development of the town's state enterprises. The field notes from June 2001 particularly noted the sudden disappearance in 1945 of the long-established ethnic German population from Hornice. In September 2001 we revisited Hornice and interviewed local and regional government figures and the head of the regional chamber of commerce. There were also visits to interview managers of three local former state-owned enterprises, Autodil, Elektro and Výkovky together with the collection of

company documents and other publications. There were also further visits to Autodil in 2002, 2009, 2013, 2015 to update the fieldwork materials. In addition, there were also visits to the local government offices (2009; 2013; 2015; 2016) and to the Regional Chamber of Commerce (2009; 2013; 2015; 2016) to meet with local government officers and officials. Table 1 below gives more details about the interviews.

Insert Table 1 about here

Since 1989, the former state-owned companies in Hornice had received substantial foreign direct investment from Germany and Austria despite the disappearance of the ethnic German population in 1945. There were a number of reasons for this; firstly many local Czechs still spoke German as a second language rather than English (Petřáňová, 2012). Also, there was a remaining familiarity with Germanic culture and ways. A senior regional government officer (Matej) commented that “Hornice was traditionally a German town, and the German influence is still strong here”. In addition, the local workforce had a strong engineering heritage, the town was in a convenient geographical location with good transport links to Germany and the regional authority offered considerable incentives including free land.

It was during the second field visit to Hornice (including a visit to Autodil) in September 2001, and a two week field visit to Autodil in (18th May - 2nd June) 2002, that the importance of a failed German-Czech joint venture in the post-communist history of the local community became apparent. During the visit to Autodil we interviewed twenty-one managers at various levels of the organization. The interviews with the respondents revealed the narrative account of the joint venture as the key event in the re-shaping the identity of enterprise as a post-communist organization. The development of Autodil’s organizational identity after 1989 was defined largely by its relationship

with the German multi-national corporation. The narrative account of the relationship was the dominant and recurring key theme of the empirical materials. The experience still had such strong emotional power and resonance (even coming through in the later field visit to Autodil in 2009) in terms of sense-making and identity that explaining it appeared an essential step to understanding the development of Autodil as an organization and Hornice as a community.

The interviews were conducted at different level of the organization and themes followed up (Eisenstadt, 1989; Yin, 2003). The story of the joint venture was also corroborated, e.g. the key dates and events, through other sources, such as the collection of accounts from local and regional newspapers, and interviews with local and regional government officers and the managers of other local enterprises (Golden 1992; Huber, 1985; Leonard-Barton, 1990). The elements were assembled in to an overall narrative account of the joint venture with the sequence of key events and actors identified (Czarniawska-Joerges, 1995; Gabriel, 2001; Pentland, 1999; Van Maanen, 1979; White, 1980; White 1984). Next, themes were identified in the narrative account e.g. the use of metaphors, references to historical precedents and national stereotypes that the Czech managers used to make sense of their understanding of the German managers' behaviour and actions. The next sections in the paper consist of an account of the history of Hornice and Autodil and the experience of the failed joint venture with a German company. The account has been developed as described above using narratives from the company's respondents and others to give a richer and contextualised picture and theoretical description to understand the sense-making responses of the Czech managers and local attitudes to foreign direct investment (Jones, & Khanna, 2006).

The Development of Autodil and the Forced Expulsion of the Ethnic German Population from Hornice.

Before World War Two, Hornice had been an important German ‘language island’ (Sprachinsel) (Wiskemann, 1938) with a long established ethnic German community with its own dialect and traditions. The population of the town was over fifty per cent ethnic German until 1945. Autodil’s main factory site is on hill overlooking the town, on the site of a former pre-World War Two German-owned engineering factory. When the Second World War started the factory was commandeered by the Nazis to manufacture machinery for the war effort. However, as the Allies started to win the War against the Nazis in the spring of 1945, the factory site’s use changed. In May 1945, the Czechs in Hornice had started to forcibly expel the ethnic German population. The Autodil factory site was then used as an internment camp for holding local ethnic Germans from the town and countryside before they were expelled, as part of the ‘wild transfer’ or ‘divoký odsun’ (Glassheim, 2000; Láníček, 2017). After the completion of the forced expulsions, the town of Hornice no longer had an ethnic German population. In 1946, the factory in Hornice was nationalised, renamed as ‘Autodil’ and run as a national state enterprise (národní podnik) manufacturing automotive parts. During the Communist period it was a successful enterprise supplying engine parts to the automotive industry within Czechoslovakia and to the rest of the Soviet Bloc. By 1989 it was the largest of the former state-owned enterprises in the town, employing over 5000 people.

Autodil Post-1989: The Transition, Economic Pressures and the Joint Venture

In the immediate period after the collapse of communism in 1989, the managers of state-owned enterprises in the (then) Czechoslovakia were in a powerful position to

control the privatisation of their enterprises (Brom & Orenstein, 1994; Coffee, 1996; Grime & Duke, 1993; Mertlík, 1997; Tucker, 2000). They could restructure the organizations and dispose of assets with very little over-sight by shareholders who were often inexperienced in corporate governance practices (Dlouhý & Mládek, 1994; Myant, 1999, pp. 181-185; Sanders, 2006; Uhlíř, 1998). The managers who had been previously been part of the *nomenklatura* (Uhlíř, 1998; Wheaton & Kavan, 1992; Wolchik, 1991), or senior members of the Communist Party, could also take advantage of this power vacuum to protect their elite positions by quickly pursuing the privatisation of state enterprises. Once an enterprise was legally privatised, and no longer state controlled, past political behaviour e.g. membership of Communist Party became legally irrelevant (Grime & Duke; Janyska, 1992; Kavan, 1992; Šiklová, 1996; Skalnik Leff, 1998; Tucker, 2015). In this way, many directors and managers were able to maintain their former positions of power and privilege in the post-communist period (Mareš & Musíl, 1994; Tucker, 2015; Uhlíř, 1998; Večerník, 1999). The senior managers of Autodil were able to hold on to their positions after 1989 as they had prepared the privatisation project and they were not voted out by the other enterprise employees (Jakub, marketing manager, Elektro). However, Autodil like many former state-owned enterprises, still needed radical organizational restructuring together with new investment in infrastructure and plant (Myant, 1999; Zeman, Rodová & Souček, 1999).

In the early years of the market transition, Autodil's traditional markets had collapsed as regional motor manufacturers declined and failed (McDermott, 2003). One director commented that:

From 1989-1993 it was like the French Revolution. We lost our customers and had to find new ones. Then we had to find new processes and technology then adapt them. (Jaroslav, Commercial Director).

In response to the financial pressure, the Autodil managers began to lay off skilled workers from the main factory site and from the plants located in small towns in the region. The directors realised that the legacies of Autodil's organizational and managerial practices had left them unprepared for the post-communist environment and so began to look for a strategic partner. A finance manager, Miroslav, commented that "Autodil did not stand a chance of developing by itself; working with a [prestigious] multinational company was necessary to becoming European... But we still had to be ourselves". In 1990 a German engine manufacturer became interested in an engine part that Autodil had developed and held the patent. However they would only agree to work with Autodil if they would collaborate with another German multi-national company, DeutschMotor. The managers of the two organizations had experience of previous co-operation; they had worked together in the 1960s until the invasion by the Soviet Union forces in 1968 and the subsequent period of 'Normalisation' ended further contact (Petr, Finance Director and Jaroslav, the Commercial Director) (Bolton, 2012; Heimann, 2009, pp. 278-306; Kušin, 1978; Šimečka, 1984; Williams, 1997). DeutschMotor had a high reputation and operated successfully in different engineering sectors in many countries; the possibility of working with them was seen as a valuable opportunity to develop a relationship with a potential partner by the Czech managers. The Czechs initially hoped to persuade DeutschMotor to buy a majority stake in Autodil. However, the directors of DeutschMotor eventually proposed a joint venture company based solely around the manufacture of the new engine part for which Autodil held the patent. The Czech directors decided that they had to take up the proposal because of their dire economic situation: "We wanted to keep the company going, because we have some social feeling, you know. There were 5000 people in Autodil, the largest employer in the region, and it

was impossible to set this fate” (Stanislav, Chairman of Supervisory Board). As viewed by the Autodil Finance Director (Petr):

We wanted employment for our employees and the development of Autodil which was crucial because of the loss of traditional customers. For DeutschMotor, the labour costs in Germany and the Czech Republic are very different but transport costs are comparable and our employees are qualified and experienced.

It was also an opportunity to gain access to new capital for the Autodil site and to join a global automotive network (Pavlínek, Domański & Guzik, 2009; Pavlínek & Janák, 2007). It would also demonstrate the managerial credentials of the Czech managers who would be able to show that they were capable of reaching Western standards of management, production and quality control despite their history as a former state-owned enterprise and the perceived sense that they needed to catch up with the West (Clark & Soulsby, 1999; Markóczy, 1993). There was a long tradition of pride in engineering skill in the former Czechoslovakia (Pavlínek & Smith, 1998). In late 1990, Autodil and DeutschMotor formally signed the joint venture agreement with DeutschMotor as the majority shareholder. The joint venture company was named DM-Motor. The directors of Autodil very reluctantly agreed to take a minority shareholding. The Chairman of the Supervisory Board (Stanislav) regarded this as “Our first mistake. We were out of the game. With the distribution of competence we were out of the decision making from the beginning”. The key advantage of this ownership structure for DeutschMotor was that it enabled it to appoint its own staff to senior management positions, including the General Director (A German manager) and the Financial Director.

Autodil's contribution to the capital share of the joint venture included land. It was also agreed to build a brand new factory hall for the new joint venture on land next door to the original main factory belonging to Autodil. Autodil also supplied the design for the product to be made by the joint venture company, the components for assembly and selected a small number of employees for the start-up. The Autodil directors saw DM-Auto as an opportunity to acquire modern technology and learn about modern Western management practices. They also expected that the joint venture would generate profits for re-investment in Autodil. They also believed that in forming the joint venture DeutschMotor had also gained advantages from the investment. The managers thought that DeutschMotor was dependent on Autodil in terms of local knowledge, local resources and contacts. DeutschMotor, through the joint venture, now had a new factory in a good strategic location for Central and East European markets, access to a highly skilled workforce and to the new product and its patent. The joint venture formally started in 1992 and the Czech managers were initially positive about the joint venture. But problems in the relationship soon started to appear. The initial agreement had given the Czechs control of the transfer of workers to DM-Auto. However, the movement of workers from Autodil to DM-Auto was soon seen by the Czechs as "Uncoordinated transfer. It was poaching" (Petr, Finance Director). The Czech Personnel Manager of DM-Auto knew many of the workers at the old factory and offered higher wages designed to attract the most skilled and experienced employees into leaving to go to the new factory next door. The directors recalled this as the "terrible period". In addition, the employees at Autodil began to demand wages to match those of their former co-workers working in the adjacent new factory. The increasing costs created problems of production quantity and quality for Autodil. Some of the managers were surprised by these events but most of the senior managers continued to believe in their positive

expectations of the joint venture. However, the joint venture had a large operating loss after the first year of operation. Petr, the Finance Director of Autodil explained, “We expected a profit and we needed the money for investment in Autodil”. The directors of Autodil discovered that the German parent had used a transfer pricing strategy, selling DM-Auto’s products at a loss to DeutschMotor, which then sold them on to its customers at a profit in Germany. Another senior manager (Mirek) argued that the joint venture was imbalanced from the very start:

It was bad! They founded the JV with a big and strong economic partner – DeutschMotor – which dictated economic conditions and the conditions of cooperation. But it was not a good cooperation and now we are separate. DeutschMotor didn’t give us the profit. The products went to Germany – for every one deutsche mark that Autodil gave DeutschMotor, they took two.

Autodil’s managers viewed the use of DeutschMotor’s dominant position in the joint venture as being contrary to the collaborative joint venture that they thought they had established with the Germans. The losses made by the joint venture had a serious impact on the strategic plans that the Czech directors had for investing in Autodil.

The Czech directors also felt very angry because they had used their social networks to put DM-Auto’s German General Director in contact with influential local politicians and government officials. The municipal and regional authorities had given DeutschMotor valuable land for free and attractive tax exemptions to subsidise the building of new factories. At the same time, rumours began to spread in Hornice about the DeutschMotor’s intentions to increase local employment numbers very quickly. The

Czech managers analysed the motives and consequences of these rumours; in their view, any increased competitiveness of labour and product markets was a real threat to Autodil's future viability. The rumours reinforced the perception of betrayal and the narrative of opportunistic behaviour by the Germans.

In 1994, DeutschMotor announced they were going to increase their capital investment in the DM-Auto joint venture to develop new product lines. The Chairman of the Supervisory Board of Autodil (Stanislav) argued that DeutschMotor had acted like a colonial power in its behaviour towards Autodil who were economically powerless to resist:

At the start, the economic advantages of the DeutschMotor JV were higher than the disadvantages. In our souls, we still intended to sell to DeutschMotor. We made many negotiations and DeutschMotor was both our competitor and our customer. The behaviour of DeutschMotor was the same as other companies in a colony [colonial situation]. We were making losses so we had to look for a solution. We were powerless and passive in the JV and looking to sell our share.

For the Czechs, the proposal by DeutschMotor led to the final collapse of the joint venture.

We sold our shares to DeutschMotor, because their very expensive plans were not acceptable. Without injecting more capital, we would have atomised our share of the joint venture, we would have had to just have to stand and watch. (Pavel, Production Director/General Director)

DM-Auto's expansion proposal was also opposed by the Czech managers because they feared that Autodil would be unable to recruit and retain its skilled workforce and therefore their production would be adversely affected. By 1995, the managers also believed they had had further confirmation of the DeutschMotor's real motives from external sources (other Czech managers), who reported similar patterns of behaviour in some of DeutschMotor's other joint ventures in the Czech Republic. The director responsible for negotiating the withdrawal from DM-Auto spoke of DeutschMotor's underlying "Efficient philosophy. Establish a joint venture, stabilise it, acquire local labour, buy the venture out and the end. By 1995, DeutschMotor no longer needed Autodil" (Petr, Finance Director). The experience of joint venture led Autodil's directors to revise their expectations; DM-Auto was out of their control and in 1995 they agreed to dissolve the joint venture. One senior Autodil director described entering the joint venture as being the "Greatest mistake of my life" (Jaroslav, Commercial Director).

In 2002, Autodil's senior managers were still very angry about how they had, in their view, been manipulated by DeutschMotor and still used strongly emotional language in their accounts. Stanislav, the Chairman of the Supervisory Board commented bitterly:

We are like a colony, it is very sad. DeutschMotor is paying no taxes, excellent; we have to pay for everything. Land is free; we have to pay for everything. The government pays for the re-qualification of DeutschMotor's staff; Autodil pays DeutschMotor because we subsidise the training of their employees. The flats of Autodil, we pay for the

maintenance. Autodil still owns 600 flats in Hornice (and others in Zelice), and many people live in them under regulated conditions, controlled rents, and they work for DM-Auto - like a colony again – another subsidy for DeutschMotor. Autodil looks after the flats, can't raise the rents, but have little use of them. We are the incubators for DeutschMotor. Everything is gratis for foreign companies. Decision making is terrible – for us the situation is very sad. Pre-first world war, the Czechs were servants. This strategic approach by the Czech government means that we will be the new servants – profits are repatriated. We must become new servants, our sad fate. We need a new Tomáš Bat'a, to use our brains, not our muscles.

The Czech directors noted that there was still an ambivalent attitude to doing business with the Germans:

We have many customers who come to Autodil because they don't like DeutschMotor. They have not had too good an experience with Germans. Our colleagues prefer Rover and Jaguar to BMW. Younger people are more positive about Germans, but older people have not had too good an experience with them. You can't base business on emotions, the consumer is king. If there is another choice, you'd say goodbye, choose another rather than DeutschMotor. Like the English, we prefer your splendid isolation (Stanislav, Chairman of the Supervisory Board).

The directors observed that DeutschMotor planned to “expand their workforce to 6840 in the next 2 years, with plans to increase to 11,000 over the following 4-5 years. DeutschMotor are very strong competitors and very dangerous” (Stanislav, 2002).

There are currently 2800 employees at Autodil and 4000 at DeutschMotor. The main problem is that DeutschMotor is now our main customer and there is competition for employees. It is very technical and precise work. They choose the most skilled persons from Autodil. A salary in Hornice is 14,000 kcs per month and so they offer monthly 20,000 kcs so the competitive advantage is not on the side of Autodil. We were spending 3.5 million kcs on a technical secondary school to train and qualify workers and they get their skills here and then they go to DeutschMotor. Before it was an advantage for DeutschMotor to be here in close contact. Now it is necessary to make an ‘Iron Curtain’. It was excellent at the time – Czech companies were falling all over the place. In 1990, Czech labour was 5-6% of the costs of a German worker so you could employ 18 Czechs for every German worker, now you can employ 10 Ukrainians for every Czech (Stanislav, 2002).

Yet despite the anger and sense of manipulation the directors and managers did find one positive aspect to the experience:

Before the joint venture experience, Eastern markets were called ‘weak markets’, because the companies were weak on time, quality and money.

It was reality, really hard. But the quality demand made by DeutschMotor made us wake up earlier than other companies. We had a good name through working with DeutschMotor. It implied that Autodil must also be good. It is a pity we did not accept some of the offers we had had, because of our work with DeutschMotor. But we got into the US market (Petr, Finance Director).

The Autodil directors believed that, as a post-communist enterprise, they now had a very efficient approach that made them more like a Western capitalist company. The directors observed that this would help them when they started to expand their activities into the former Soviet bloc and the Far East. However, a director noted that even though there was an economic advantage to the Czechs because of the low wages for workers in India, they still would not treat the Indians in the colonial way they had been treated by the Germans (Chairman of the Supervisory Board).

The now-wholly German owned DM-Auto still has a commercial relationship with Autodil. The physical legacy of the joint venture is still evident on the original factory site as strong and constant reminder of the experience. The Autodil and DM-Auto factories on the hill still share the same road entrance and bus stops and only a high wire fence separates them. The contrast between the old Czech factory site and the modern Germanic high-tech look of DM-Auto is stark.

The story of the German- Czech failed joint venture also exists outside of Autodil as part of the collective memory of the local community including local government and other business organizations. The process and eventual dissolution was also recorded in reports in the local media e.g. the town newspaper (Berger, 2009). Hornice had received

foreign direct investment from German and Austrian companies after 1989 but the attractiveness of the town for investment was not just for economic reasons or geographical location. The legacy of the history of a dual German and Czech population and specificity of the local culture was still important. Despite the tragic events of 1945 (local government publications now acknowledge the expulsion of the town's ethnic German population), the history of the town and its lost ethnic German population also meant that there was still a familiarity with Germanic culture and language. This, despite the ongoing ambivalence of the Czechs, and the legacy of historical anger towards the Germans, made it easier for Germans to invest and do business in Hornice.

Discussion

After the collapse of communism in Central and Eastern Europe entry in to joint ventures with multi-national corporations was seen as an effective way to gain access to investment and Western managerial practices (Brouthers & Bamossy, 2006; Drahokoupil, 2008). However, these joint ventures were often constructed with the Western partner as the dominant one in the relationship (Lecraw, 1984; Parkhe, 1991) and the benefits for the transforming societies have not been as positive as hoped (Jindra, 2005; Jones & Khanna, 2006; Sinani & Meyer, 2009). For the Czech managers in this case study (the weaker party in the joint venture) the DM-Auto joint venture was an important organizational event and remained a significant part of the company's post-communist history and identity (Scott & Lane, 2000; Starbuck & Milliken, 1988). The complex emotional and cultural effects of the experience were still powerful years after the formal dissolution of the joint venture (Chapman, Gajewska-Mattos, Clegg, & Buckley, 2008; Gajewska-Mattos, Chapman, & Clegg, 2004). As discussed above,

Casanova (2009) and Lubinski (2014; 2018) found that colonial history still has a dark imprint on national identity. The story of the Czech-German joint venture was formed in to a consistent organizational narrative (Boyce, 1995; Ooi, 2001). However, the experience of the joint venture with the multi-national and its ultimate failure was interpreted by the Czechs not in rational economic terms that one would expect but within the complex context of the historical experience of their national relationship with their neighbours, the Germans (Jones & Khanna, 2006). The inevitability of the failure of the joint venture was built in to an account that attributed blame elsewhere (Linde, 2001; Seo & Creed, 2002). There were recurring narrative themes and a consistency in the collective memory of the directors and managers as they recounted the joint venture experience (Berger, 2009; Bruner, 1990; Pentland, 1999).

The Czech managers' sense-making frustration with their joint venture experience was reflected in the motives they attributed to the German managers and in the recurring local narrative themes of historic economic inequality and powerlessness (Maclean, Harvey & Stringfellow, 2017). As seen above, in making sense of their experience, the Czech managers drew heavily on existing national discourses, using metaphors and historical allusions about Germans to construct credible accounts of the reasons for the failure of the joint venture. In their accounts, the Germans were cast as the antagonists in the narrative who had let the Czechs down through their disingenuous behaviour and their deceit. In the interviews, their moral evaluation was expressed in language that likened DeutschMotor to a colonial power (Linde, 2001). The Czech managers made sense (Dutton & Dukerich, 1991; Weick, 1995) of the actions of the managers of DeutschMotor using various metaphors in the interviews, reflecting historical and national Czech mind-sets regarding the Germans e.g. their colonial behaviour and master-servant relationship. The Autodil managers, referring to the

national Czech identity and the historical relationship with the Germans, saw their “own sad fate” as being the “incubators” and the “new servants”. Yet the managers also spoke in their accounts about how the company had gained some advantages from the experience of the joint venture relationship. They knew that in order to keep up with DeutschMotor they had to implement modern management practices and processes e.g. quality improvements. Also, through the joint venture experience, they had the opportunity to gain access to important international automotive networks. Although Autodil was a former state-owned enterprise, through working with a powerful multi-national corporation, they had achieved greater international visibility and perceived managerial and organizational legitimacy together with an acknowledgement of the traditional quality of their products (Kroeze & Keulen, 2013; Ooi, 2001). Although as discussed above, the automotive networks are now overwhelmingly foreign-controlled at the first tier level (Rugraff, 2010; OECD, 2017) Autodil managed to survive as a Czech-owned company. But unlike the examples of Casanova’s ‘Global Latinas’ (2009), the Czech companies have not been able to break through as influential multi-nationals enterprises.

Conclusions

The painful historical relationship between the Germans and the Czechs has had a long and powerful cultural overhang in the present. The case at the heart of the paper has shown how the local Czechs managers, who had had formed a joint venture with a long-established German multi-national, made sense of the failure of a joint venture not through a rational organizational economic lens but through the lens of historical events and stereotypes and national identity. Their view reflected the typical attitude to German-Czech relationship; one of relative historical powerlessness of the Czechs with

regard to the neighbouring Germans. The memories of the German occupation during the Second World War and the struggle for Czech nationhood were particularly powerful given the nationality of DeutschMotor's owners; it is a strange accident of history that the Autodil factory site was used by the Nazis and then by the Czechs in 1945 as an internment camp for expelling ethnic Germans from Czechoslovakia. As discussed above, the powerful legacy of history and the unresolved anger between the Czechs and Germans still engendered a mistrust which existed even in the post-communist period and after the accession of the Czech Republic to the European Union.

Much of the conventional international business research on joint ventures and foreign direct investment (with the exceptions discussed above) is de-contextualised of historical relationships and attitudes despite the calls for using more historical approaches. This paper has contributed by using narratives to show how influential and important the legacy of complex historical relationships can be in terms of understanding both local organizational and community attitudes towards investment by foreign multinational corporations. Foreign direct investment from neighbouring countries may be easier geographically but it is not necessarily any easier in terms of organizational or local relationships as there can be great historical complexity between the countries. As demonstrated in this paper, and in the work of other scholars e.g. Casanova (2009), the affinity of sharing a language or being able to speak the language of the investor is not enough. It would be fruitful to conduct more research exploring the effects of history and national identity and foreign direct investment particularly from the perspective of societies where there has been an historical imbalance of political and economic power between organizations in joint ventures e.g. in post-communist transforming societies and post-colonial emerging societies.

References

- Abrams, B. F. (1996). Morality, wisdom and revision: the Czech opposition of the 1970s and the expulsion of the Sudeten Germans. *East European Politics and Societies*, 9(2), 234-255.
- Albert, S., and Whetten, D. A. (1985). Organizational identity. In L. L. Cummings & B. M. Staw (Eds.), *Research in organizational Behavior* (pp.263-295).Greenwich, CT: JAI Press.
- Alvesson, M. (2003). Beyond neopositivists, romantics and localists: A reflexive approach to interviews in field research. *Academy of Management Review*, 28(1), 1-33.
- Applebaum, A. (2012). *Iron Curtain: The crushing of Eastern Europe 1944-56*. London, England: Penguin Books.
- Auer, S. (2010). ‘New Europe’: Between cosmopolitan dreams and nationalist nightmares. *Journal of Common Market Studies*, 48(5), 1163-1184.
- Bechev, D. (2015). From the Soviet Bloc to the new Middle Age: East-Central Europe’s three imperial moments. In C. Nicolaïdis, B. Sèbe & G. Maas (Eds.), *Echoes of empire: Memory, identity and colonial legacies* (pp.251-266). London, England: I. B. Taurus.
- Berger, Stefan. “On the role of myths and history in the construction of national identity in modern Europe.” *European History Quarterly* 39, no. 3 (2009): 490-502.

- Bolton, J. (2012) *Worlds of dissent: Charter 77, the Plastic People of the Universe and Czech culture under communism*. Cambridge, MA. : Harvard University Press.
- Borufka, S. (2010, August 17) Police uncover human bones at alleged site of Sudeten German mass murder. *Czech National Radio*. Retrieved from <http://www.radio.cz/en/section/curraffrs/police-uncover-human-bones-at-alleged-site-of-sudeten-german-mass-murder>.
- Boyce, M. E. (1995). Collective centring and collective sense-making in the stories and storytelling of one organization. *Organization Studies*, 16(1), 107-137.
- Brom, K., & Orenstein, M. (1994). The privatized sector in the Czech Republic: Government and bank control in a transitional economy. *Europe-Asia Studies*, 46(6), 893-928.
- Brouthers, K. D., & Bamossy, G. J. (2006). Post-formation processes in eastern and western European joint ventures. *Journal of Management Studies*, 43(2), 203-229.
- Brown, A. D. (1995). Managing understandings: Politics, symbolism, niche marketing and the quest for legitimacy in IT implementation. *Organization Studies*, 16(6), 951-969.
- Brown, A. D. (1998). Narrative, politics, and legitimacy in an IT implementation. *Journal of Management Studies*, 35(1), 35-58.
- Brown, M. (1958). The diplomacy of bitterness: Genesis of the Potsdam decision to expel Germans from Czechoslovakia. *Western Political Quarterly*, 11(3), 607-626.

- Bruner, J. (1986). *Actual minds, possible worlds*. Cambridge, MA. and London, England: Harvard University Press.
- Bruner, J. (1990). *Acts of meaning*. Cambridge, MA. : Harvard University Press, 1990.
- Bryant, C. (2004). Acting Czech, marking Germans: Nationality politics in Bohemia and Moravia, 1939-1947. *GHI Bulletin*, spring, 34, 65-73.
- Bucheli, M & Wadhvani, R. D. (2104). (Eds.), *Organizations in time: History, theory and methods*. Oxford: Oxford University Press.
- Casanova, L. (2009) *Global Latinas: The new Latin American Jaguars*. Houndmills, Basingstoke: Palgrave Macmillan.
- Casson, M. (1986). General theories of the multi-national enterprise: A critical examination. In E. Hertner & G. Jones (Eds.), *Multinationals theory and history*, (42-61).Aldershot and Brookfield: Gower.
- Castellani, D., & Zanfei, A. (2006). *Multinational firms, innovation and productivity*. Cheltenham, England: Edward Elgar.
- Chapman, M., Gajewska-Mattos, H., Clegg, J., & Jennings Buckley, P. (2008). Close neighbours and distant friends: Perceptions of cultural distance. *International Business Review*, 17(3), 217-234.
- Chia, R. (1996). The problem of reflexivity in organizational research: Towards a post-modern science of organization. *Organization*, 3(1), 31-59.
- Clandinin, D. J., & Connelly, F. M. (2000). *Narrative inquiry: Experience and story in qualitative research*. San Francisco: Jossey-Bass.

- Clark, P. & Rowlinson, M. (2004). The treatment of history in organisation studies: Towards an historic turn? *Business History*, 46(3), 331-352.
- Clark, E., & Soulsby, A. (1995). Transforming former state enterprises in the Czech Republic. *Organization Studies*, 16(2), 215-242.
- Clark, E., & Soulsby, A. (1998). Organization-Community embeddedness: The social impact of enterprise restructuring in the post-communist Czech Republic. *Human Relations*, 51(1), 25-50.
- Clark, E., & Soulsby, A. (1999). *Organizational change in post-communist Europe: management and transformation in the Czech Republic*. London, England: Routledge.
- Clark, E., & Soulsby, A. (2007). Understanding top management and organizational change through demographic and processual analysis. *Journal of Management Studies*, 44(6), 932-954.
- Coffee, J. C. (1996). Institutional investors in transitional economies: The Czech experience. In R. Frydman, C. W. Gray & A. Rapaczynski (Eds.), *Corporate governance in Central Europe and Russia* (Volume 1, pp.111- 186). Budapest, Hungary: Central University Press.
- Cordell, K., & Hausvater, Z. (2006). Working together: The partnership between the Czech and German greens as a model for wider Czech-German co-operation? *Debate: Journal of Contemporary Central and Eastern Europe*, 14(1), 49-69.

- Cordell, K., & Wolff, S. (2005). Ethnic Germans in Poland and the Czech Republic: A comparative evaluation. *Nationalities Papers*, 33(2), 255-276.
- Coviello, N., Kano, L., & Liesch, P. W. (2017). Adapting the Uppsala model to a modern world: Macro-context and microfoundations. *Journal of International Business Studies*, 48 (9), 1151–1164.
- Cunliffe, A. L., Luhman, J. T. & Boje, D. M. (2004). Narrative temporality: Implications for organizational research. *Organization Studies*, 25(2), 261-286.
- Cyert, R. D., & March, J. G. (1963). *A behavioral theory of the firm*. Englewood Cliffs, NJ: Prentice Hall.
- Czarniawska-Joerges, B. (1995). Narration or science? Collapsing the division in organization studies. *Organization*, 2(1), 147-152.
- CzechInvest (Investment and Business Development Agency). (2018). *Czech Republic: Land of Investment*. Update: September 2018, 1-19.
- Dlouhý, V. & Mládek, J. (1994). Privatization and corporate control in the Czech Republic. *Economic Policy*, 9(19), 156-170.
- Drahokoupil, J. (2008). The investment-promotion machines: The politics of foreign direct investment promotion in central and eastern Europe. *Europe-Asia Studies* 60(2), 197-225.
- Dunning, J. H. (1998). Location and the multi-national enterprise: A neglected factor. *Journal of International Business Studies*, 29(1), 45-66.

- Dunning, J. H., & Lundan, S. M. (2008). *Multinational enterprises and the global economy*. Cheltenham, UK: Edward Elgar.
- Dutton, J. E., & Dukerich, J. M. (1991). Keeping an eye on the mirror: Image and identity in organizational adaptation. *Academy of Management Journal*, 34(3), 517-554.
- Eisenhardt, K. (1989). Building theories from case study research. *Academy of Management Review*, 14(4), 532-550.
- Fawn, R. (2003). Reconstituting a national identity: Ideologies in Czech foreign policy after the split. *Journal of Communist Studies and Transition Politics*, 19(3), 204-228.
- Fernández Pérez, P., & Lluch, A. (2016) (Eds.), *Evolution of family business: Continuity and change in Latin America and Spain*. Cheltenham: Edward Elgar.
- Fontana, A., & Frey, J. H. (2000). The interview: From structured questions to negotiated text. In N. K. Denzin & Y. S. Lincoln (Eds.), *Handbook of qualitative research*. (2nd ed.) (pp.645-672). London, Sage.
- Frankl, M. (2014). Prejudiced asylum: Czechoslovak refugee policy, 1918-60. *Journal of Contemporary History*, 49(3), 537-555.
- Frommer, B. (2005). *National cleansing: Retribution against Nazi collaborators in postwar Czechoslovakia*. Cambridge, England: Cambridge University Press.
- Gabriel, Y. (2001). *Storytelling in organizations: Facts, fictions, and fantasies*. Oxford, England: Oxford University Press.

- Gajewska-De Mattos, H., Chapman, M., & Clegg, J. (2004). Poles and Germans: An international business relationship. *Human Relations*, 57(8), 983-1015.
- Gerlach, D. (2010). Beyond expulsion: The emergence of “unwanted elements” in the Postwar Czech borderlands, 1945–1950. *East European Politics and Societies*, 24(2), 269-293.
- Gioia, D. A., Schultz, M., & Corley, K. G. (2000). Organizational identity, image, and adaptive stability. *Academy of Management Review* 25(1), 63-81.
- Gioia, D. A., Thomas, J. B., Clark, S. M., & Chittipeddi, K. (1994). Symbolism and strategic change in academia: The dynamics of sensemaking and influence. *Organization Science*, 5(3), 363-383.
- Glassheim, E. (2000). National mythologies and ethnic cleansing: The expulsion of Czechoslovak Germans in 1945. *Central European History*, 33(4), 463-486.
- Glassheim, E. (2015). Unsettled landscapes: Czech and German conceptions of social and ecological decline in the Postwar Czechoslovak borderlands. *Journal of Contemporary History*, 50(2), 318-336.
- Godfrey, P.C.; Hassard, J.; O'Connor, E. S.; Rowlinson, M; Ruef, M. (2016). Introduction to special topic forum: What is organizational history? Toward a creative synthesis of history and organization studies. *Academy of Management Review*, 41(4), 590-608.
- Golden, B. R. (1992). ‘The Past is the past – or is it? The use of retrospective accounts as indicators of past strategy, *Academy of Management Journal*, 35(4), 848-860.

- Grime, K. & Duke, V. (1993). A Czech on privatization. *Regional Studies*, 27(8), 751-757.
- Guillén, M. F. (2003). Experience, imitation, and the sequence of foreign entry: Wholly owned and joint venture manufacturing by South Korean firms and business groups in China, 1987-1995. *Journal of International Business Studies*, 34(2), 185-198.
- Hanley, S. (2007). A nation of sceptics? The Czech-EU accession referendum of 13-14 June 2003. *West European Politics*, 27(4), 691-715.
- Harna, J. (2011). First Czechoslovak Republic. In J. Pánek & O. Tůma (Eds.), *A history of the Czech Lands* (pp.395-432). (J. Quinn, P. Key & L. Bennis. Trans.). Prague, Czech Republic: Charles University, Karolinum Press.
- Hansen, P. H. (2012). Business history: A cultural and narrative approach. *Business History Review*, 86(4), 693-717.
- Hauner, M. (2009). 'We must push eastwards': The challenges and dilemmas of President Beneš after Munich. *Journal of Contemporary History*, 44(4), 619-656.
- Heimann, M. (2009). *Czechoslovakia: The state that failed*. New Haven, CT: Yale University Press.
- Hennart, J.F. Internalization in practice: early foreign direct investment in Malaysian tin mining. *Journal of International Business Studies*, 17(2), 131-143.
- Hochfeld, K. (2004/2005). Metaphors in the German discourse about Czech-German relations. *Perspectives*, 12(2), winter, 61-76.

- Holly, W., Nekvapil, J., Scherm, I., & Tišerová, P. (2003). Unequal neighbours: Coping with asymmetries. *Journal of Ethnic and Migration Studies*, 29(5), 819-834.
- Holy, L. (1996). *The little Czech and the great Czech nation: National identity and the post-communist social transformation*. Cambridge, England: Cambridge University Press.
- Hrabovec, E. (2000). The Catholic Church and the deportations of ethnic Germans from the Czech Lands. *Journal of Communist Studies and Transition Politics*, 16(1-2), 64-82.
- Huber, G. P. (1985). Temporal stability and response-order biases in participant descriptions of organizational decisions. *Academy of Management Journal*, 28(4), 943-950.
- Janyska, P. (1992). Imperfect but right: The Screening Act: Anti-communist or anti-democratic? *East European Reporter*, Jan. - Feb., 59-60.
- Jindra, B. (2005). Theory and review of latest research on the effects of FDI into CEE. In J. Stephan (Ed.), *Technology transfer via foreign direct investment in Central and Eastern Europe* (pp.3-74). Houndmills, Basingstoke, England: Palgrave Macmillan.
- Johanson, J., & Vahlne, J.-E. (1977). The internationalization process of the firm - a model of knowledge development and increasing foreign commitments. *Journal of International Business Studies*, 8(1), 23-32.
- Jones, G. (1986). British overseas banks in the Middle East 1920-70: A study in multinational middle age. In A. Teichova, M. Lévy-Leboyer & H.

- Nussbaum (Eds.), *Multinational enterprise in historical perspective* (pp.218-231). Cambridge, England: Cambridge University Press.
- Jones, G. (2015). Editor's Introduction. *Business History Review*, 89 (3), 403–404.
- Jones, G., & Khanna, T. (2006). Bringing history (back) into international business. *Journal of International Business Studies*, 37(4), 453-468.
- Karn, A. M. (2006). Depolarizing the past: The role of historical commissions in conflict. *Journal of International Affairs*, 60(1), 31-50.
- Kavan, J. (1992). Imperfect but wrong: The Screening Act: Anti-communist or anti-democratic? *East European Reporter*, Jan. - Feb., (1992): 61.
- Kieser, A. (1994). Why organization theory needs historical analyses – and how this should be performed. *Organization Science*, 5(4), 608-620.
- Kift, D. (2010). Neither here or there? Memorialization of the expulsion of ethnic Germans. In B. Niven & C. Paver (Eds.), *Memorialization in Germany since 1945* (pp.78-87). Houndmills, Basingstoke, England: Palgrave Macmillan.
- Kind-Kovács, F. (2014). Memories of ethnic cleansing and the local iron curtain in the Czech–German borderlands. *Nationalities Papers*, 42(2), 199-222.
- King, J. (2002). *Budweisers into Czechs and Germans: A local history of Bohemian politics 1848-1948*. Princeton, New Jersey: Princeton University Press.
- Kopstein, J. S. (1997). The politics of national reconciliation: memory and institutions in German-Czech relations since 1989. *Nationalism and Ethnic Politics*, 3(2), 57-78.

- Krejčí, J., & Machonin, P. (1996). *Czechoslovakia 1918-92: A laboratory for social change*. Hampshire, England: Macmillan.
- Kroeze, R., & Keulen, S. (2013). Leading a multi-national is history in practice: The use of invented traditions and narratives at AkzoNobel, Shell, Phillips and ABN AMRO. *Business History*, 55(8), 1265-1287.
- Kučera, M., & Pavlík, Z. (1995). Czech and Slovak demography. In J. Musil (Ed.). *The End of Czechoslovakia* (15-39). Budapest, Hungary: Central European Press.
- Kunštát, M. (1998). Czech-German relations after the fall of the Iron Curtain. *Czech Sociological Review*, 6(2), 149-172.
- Kušin, V. V. (1978). *From Dubček to Charter 77: A study of 'Normalisation' in Czechoslovakia 1968-1978*. Scotland, Edinburgh: Q Press.
- Langenbacher, E. (2008). Twenty-first century memory regimes in Germany and Poland: An analysis of elite discourses and public opinion. *German Politics and Society*, 26(4), 50-81.
- Langley, A. (1999). Strategies for theorizing from process data. *Academy of Management Review*, 24(4), 691-710.
- Lániček, J. (2017). After the whirlwind: Jewish absence in postwar Czechoslovakia. *Journal of Contemporary History*, 52(2), 278-296.
- Lecraw, D. J. (1984). Bargaining power, ownership and profitability of transnational corporations in developing countries. *Journal of International Business Studies*, 15(1), 27-43.
- Leonard-Barton, D. (1990). A dual methodology for case studies: Synergistic use of a longitudinal single site with replicated multiple sites. *Organization Science*, 1(3), 248-266.

- Linde, C. (2001). Narrative and social tacit knowledge. *Journal of Knowledge Management*, 5(2), 160-170.
- Lopes, T. d S. (2010). The entrepreneur, ownership advantages, and the Eclectic Paradigm. *Multinational Business Review*, 18(2), 71-87.
- Lubinski, C. (2014). Liability of foreignness in historical context: German business in preindependence India. (1880–1940). *Enterprise and Society*, 15(4), 722-758.
- Lubinski, C. (2018). Business beyond empire: German multinationals in pre- and post-independence India (1890s–1960s). *South Asia: Journal of South Asian Studies*, 41(3), 621-641.
- Lunak, P. (1992). History, reality, and Central Europe's security. *SAIS Review*, 2(2), Summer/Fall 129-139.
- Luža, R. (1964). *The transfer of the Sudeten Germans: A study of Czech-German Relations 1933-1962*. London, England: Routledge and Kegan Paul.
- Maclean, M., Harvey, C. & Clegg, S. R. (2016) Conceptualizing historical organization studies. *Academy of Management Review*, 41(4), 609-632.
- Maclean, M., Harvey, C. & Stringfellow, L. (2017). Narrative, metaphor and the subjective understanding of historic identity transition. *Business History*, 59(8) 1218-1241.
- Mamatey, V. S. (1981). The Battle of the White Mountain as myth in Czech History. *East European Quarterly*, 15(3), 335-345.
- Mareš, P., & Musíl, L. (1994). The legitimacy of privatisation: Two case studies of privatised enterprises. *Czech Sociological Review*, 2(2), 187 - 197.
- Markóczy, L. (1993). Managerial and organizational learning in Hungarian-Western mixed management organizations. *International Journal of Human Resource Management*, 4(2): 277-304.

- Matušková, A., & Rousová, M. (2013). Czech-German relations in the context of shadows of the past and geographical location. *Journal of Geography*, 113(1), 10-19.
- McDermott, G. A. (2003). *Embedded politics: Industrial networks and institutional change in Postcommunism*. Ann Arbor, Michigan: University of Michigan Press.
- Mertlík, P. (1997). Czech privatization. *Eastern European Economics*, 35(2), 64-83.
- Miles, M. B. (1979). Qualitative data as an attractive nuisance: The problem of analysis. *Administrative Science Quarterly*, 24(4), 590-601.
- Mlynář, Z. (1980). *Night Frost in Prague: The end of humane socialism*. (P. Wilson, Trans.). London, England: C. Hurst and Company.
- Musil, J., & Suda, Z. (1998). Czech-German relations: A sociological view. *Czech Sociological Review*, 6(2), 135-147.
- Myant, M. (1981). *Socialism and democracy in Czechoslovakia, 1945-1948*. Cambridge, England: Cambridge University Press.
- Myant, M. (1999). The transformation of Czech enterprises. In M. Myant (Ed.), *Industrial Competitiveness in East-Central Europe* (pp.145-168). Cheltenham, England: Edward Elgar.
- Myant, M. (2008). New research on February 1948 in Czechoslovakia. *Europe-Asia Studies*, 60(10), 1697-1715.
- Myant, M., Fleischer, F., Hornschild, K., Vintrová, R., Zeman, K. & Souček, Z. (1996). *Successful transformations? The creation of market economies in Eastern Germany and the Czech Republic*. Cheltenham, England: Edward Elgar.

- Nagengast, E. (1998). Germany's troublesome devotion. *Peace Review*, 10(2) June, 181-186.
- Nagengast, E. (2003). The Beneš Decrees and EU enlargement. *Journal of European Integration*, 25(4), 335-350.
- Narula, R., & Driffield, N. (2012). Does FDI cause development? The ambiguity of the evidence and why it matters. *European Journal of Development Research*, 24(1), 1-7.
- Noskova, A. F. (2000). Migration of Germans after the Second World War: Political and psychological aspects. *Journal of Communist and Transition Politics*, 16(1-2), 96-114.
- OECD (2017). *International trade, foreign direct investment and global value chains: Czech Republic trade and investment statistical note*. 2017, 1-10.
- Ooi, C.-S. (2001). Persuasive histories: Decentering, recentering and the emotional crafting of the past. *Journal of Organizational Change Management*, 15(6), 606-621.
- Orzoff, A. (2009). *Battle for the Castle: The myth of Czechoslovakia in Europe, 1914-1948*. Oxford, England: Oxford University Press.
- Parkhe, A. (1991). Interfirm diversity, organizational learning and longevity in global and strategic alliances. *Journal of International Business Studies*, 22(4), 579-601.
- Pavlínek, P., Domański, B., & Guzik, R. (2009). Industrial upgrading through foreign direct investment in Central European automotive manufacturing. *European Urban and Regional Studies*, 16(1), 43-63.

- Pavlínek, P., & Janák, L. (2007). Regional restructuring of the Škoda Auto supplier network in the Czech Republic. *European Urban and Regional Studies*, 14(2), 133-155.
- Pavlínek, P., & Smith, A. (1998). Internationalization and embeddedness in east-central European transition: The contrasting geographies of inward investment in the Czech and Slovak Republics. *Regional Studies*, 32(7): 619-638.
- Pentland, B. (1999). Building process theory with narrative: From description to explanation. *Academy of Management Review*, 24(4), 711-724.
- Petrjánošová, M. (2012). "I can't speak German so I can't communicate with them": Language use in intergroup contact between Czechs and Germans. *Human Affairs*, 22, 69-78.
- Phillips, A. L. (2001). The politics of reconciliation revisited: Germany and East-Central Europe. *World Affairs*, 163(4), 171-191.
- Polkinghorne, D. E. (1988). *Narrative knowing and the human sciences*. Albany: State University of New York.
- Polkinghorne, D. E. (1995). Narrative configuration in qualitative analysis. In J. A. Hatch & R. Wisniewski (Eds.), *Life history and narrative* (pp.5-23). London: Falmer Press.
- Puig, N. & Álvaro-Moya, A. (2018). The long-term effects of foreign investment on local human capital: Four American companies in Spain, 1920s–1970s. *Business History Review*, 92(3), 425–452.

- Renner, J. (2011). "I am sorry for apologising": Czech and German apologies and their perlocutionary effects. *Review of International Studies*, 37, 1579-1597.
- Rowlinson, M., Hassard, J. & Decker, S. (2014). Research strategies for organizational history: A dialogue between historical theory and organization theory. *Academy of Management Review*, 39(3), 250-274.
- Rugraff, E. (2008). Are the FDI policies of the Central European countries efficient? *Post-Communist Economies*, 20(3), 303-316.
- Rugraff, E. (2010). Foreign direct investment (FDI) and supplier-oriented upgrading in the Czech motor vehicle industry. *Regional Studies*, 44(5), 627-638.
- Rupnik, J. (1995). The international context. In J. Musil (Ed.), *The end of Czechoslovakia* (pp.271-278). Budapest, Hungary: Central European Press.
- Ryback, T. W. (1996/1997). Dateline Sudetenland: Hostages to history. *Foreign Policy*, winter, 105, 162-178.
- Sanders, M. (2006). *Privately managed privatisation in the Czech Republic: Lessons learned*. Arlington, Virginia: Jefferson Institute.
- Saunders, B., Kitzinger, J., & Kitzinger, C. (2015). Anonymising interview data: Challenges and compromises in practice. *Qualitative Research*, 15(5), 616-632.
- Sayer, D. (1998). *The coasts of Bohemia: A Czech history*. Princeton, New Jersey: Princeton University Press.

- Seo, M.-G., & Creed, W. E. D. (2002). Institutional contradictions, praxis, and institutional change: A dialectical perspective. *Academy of Management Review*, 27(2), 222-47.
- Scott, S. G. & Lane, V. R. (2000). A stakeholder approach to organizational identity. *Academy of Management Review*, 25(1), 43-62.
- Si, S., & Bruton, G. D. (1999). Knowledge transfer in international joint ventures in transitional economies: the China experience. *Academy of Management Executive*, 13(1), 83-90.
- Šiklová, J. (1996). Lustration or the Czech way of screening: The case against decommunization. *East European Constitutional Review*, winter, 57-62.
- Šimečka, M. (1984). *The restoration of order: The normalization of Czechoslovakia*. (A. G. Brain, Trans.). London, England: Verso.
- Sinani, E., & Meyer, K. E. (2009). When and where does FDI generate positive spillovers? A meta-analysis. *Journal of International Business Studies*, 40(7), 1075-1094.
- Skalnik Leff, C. (1998). *The Czech and Slovak Republics: Nation versus state*. Boulder, Colorado: Westview Press.
- Soulsby, A., & Clark, E. (1996). The emergence of post-communist management in the Czech Republic. *Organization Studies*, 17(2), 227-247.
- Soulsby, A., & Clark, E. (2006). Changing patterns of employment in post-socialist organizations in Central and Eastern Europe: Management action

- in a transitional context. *International Journal of Human Resource Management*, 17(9), 1396-1410.
- Soulsby, A., Clark, E. 2012. Theorizing process through punctuated longitudinal case study research: narrative data and the problem of retrospection. In C. Welch and R. Piekkari (Eds.), *Rethinking the case study approach in international business research*, (pp.277-297). Cheltenham: Edward Elgar.
- Spurný, M. (2012). Political authority and popular opinion: Czechoslovakia's German population 1948-1960. *Social History*, 37(4), 452-476.
- Starbuck, W. H., & Milliken, F. J. (1988). Executive perceptual filters: What they notice and how they make sense. In D. C. Hambrick (Ed.). *The Executive effect: Concepts and methods for studying top managers* (pp35-65). Greenwich, CT: JAI Press.
- Steensma, H. K. & Lyles, M. J. (2000). Explaining IJV survival in a transitional economy through social exchange and knowledge-based perspectives. *Strategic Management Journal*, 21(8), 831-51.
- Suddaby, R. (2016). Toward a historical consciousness: Following the historic turn in management thought. *M@n@gement*, 19(1), 46-60.
- Suppan, A. (2006). Austrians, Czechs and Sudeten Germans as a community of conflict in the Twentieth Century. *Centre for Austrian Studies Working Papers Series*, Working Paper 06-1, 1-45.
- Svašek, M. (2002). Narratives of 'home' and 'homeland': The symbolic appropriation of the Sudeten German Heimat. *Identities*, 9(4), 495-518.
- Svašek, M. (2010). On the move: Emotions and human mobility. *Journal of Ethnic and Migration Studies*, 36(6), 865-880.

- Sydow, J., Schreyögg, G., & Koch, J. (2009). Organizational path dependence: Opening the Black Box. *The Academy of Management Review*, 34(4), 689-709.
- Tucker, A. (2000). *The philosophy and politics of Czech dissidence from Patočka to Havel*. Pittsburgh: University of Pittsburgh Press.
- Tucker, A. (2015). *The legacies of totalitarianism: A theoretical framework*. Cambridge, England: Cambridge University Press.
- Uhlíř, D. (1998). Internationalization and institutional and regional change: Restructuring post-communist networks in the region of Lanškroun, Czech Republic. *Regional Studies*, 32(7), 673 – 685.
- Vahlne, J.-E., & Johanson, J. (2013). The Uppsala model on evolution of the multinational business enterprise – from internalization to coordination of networks. *International Marketing Review*, 30(3), 189–210.
- Vahlne, J.-E., & Johanson, J. (2017). From internationalization to evolution: The Uppsala model at 40 years. *Journal of International Business Studies*, 48 (9), 1087–1102.
- Van Maanen, J. (1979). The fact of fiction in organizational ethnography. *Administrative Science Quarterly*, December, 24 (4), 539-559.
- Van Maanen, J. (1988). *Tales of the field: On writing ethnography*. Chicago: University of Chicago Press.
- Večerník, J. (1999). The middle class in the Czech reforms: The interplay between policies and social stratification. *Communist and Post-Communist Studies*, 32(4), 397-416.

- Weick, K. (1979). *The social psychology of organizing*. Reading, MA.: Addison-Wesley.
- Weick, K. (1989). Theory construction as disciplined imagination. *Academy of Management Review*, 14(4): 516-531.
- Weick, K. (1995). *Sensemaking in organizations*. Thousand Oaks, CA.: Sage.
- Welch, C., & Paavilainen-Mäntymäki, E. (2014). Putting process (back) in: Research on the internationalization process of the firm. *International Journal of Management Reviews*, 16(1), 2–23.
- Wheaton, B., & Kavan, Z. (1992). *The Velvet Revolution: Czechoslovakia, 1988-1991*. Boulder, Colorado: Westview Press.
- White, H. (1980). The value of narrativity in the representation of reality. *Critical Inquiry*, 7(1): 5-27.
- White, H. (1984). The question of narrative in contemporary historical theory. *History and Theory*, 23(1): 1-33.
- Wilkins, M. (2010). Multinational enterprises and the varieties of capitalism. *Business History Review*, 84(4), 638–645.
- Williams, K. (1997). *The Prague Spring and its aftermath: Czechoslovak politics 1968-1970*. Cambridge, England: Cambridge University Press.
- Wingfield, N. M. (2000). The politics of memory: Constructing national identity in the Czech lands, 1945-1948. *East European Politics and Societies*, 14(2), 246-276.

- Wingfield, N. M. (2003). The Battle of Zborov and the politics of commemoration in Czechoslovakia. *East European Politics and Societies*, 17(4), 654–681.
- Wiskemann, E. (1938). *Czechs and Germans: A study of the struggle in the historic provinces of Bohemia and Moravia*. London, England: Oxford University Press.
- Wiskemann, E. (1956). *Germany's eastern neighbours: Problems relating to the Oder-Neisse line and the Czech frontier regions*, Royal Institute of International Affairs, London, England: Oxford University Press.
- Wiskemann, E. (1968). Masaryk and Czechoslovakia. *History Today*, 18(12), 844-851.
- Wolchik, S. (1991). *Czechoslovakia in transition: Politics, economics and society*. London, England: Pinter Press.
- Wood, S. (2005) German expellee organisations in the enlarged EU. *German Politics*, 14(4), 487-497.
- Yan, A. (1998). Structural stability and reconfiguration of international joint ventures. *Journal of International Business Studies*, 29(4), 773-96.
- Yin, R. (2003) *Case study research*. (3rd ed.). Thousand Oaks, CA.: Sage.
- Zahra, T. (2004). Reclaiming children for the nation: Germanization, national ascription, and democracy in the Bohemian Lands, 1900-1945. *Central European History*, 37(4), 501-543.

- Zald, M. N. (1993). Organization studies as a scientific and humanistic enterprise: Toward a reconceptualization of the foundations of the field. *Organization Science*, 4(4), 513-528.
- Zeman, K., Rodová, V., & Souček, Z. (1999) Competitiveness in East-Central Europe. In M. Myant (Ed.), *Industrial Competitiveness in East-Central Europe* (pp.29-51). Cheltenham, England: Edward Elgar.

Table 1

Autodil and Hornice Respondents	Organizational Position and Dates of Interviews
Autodil Directors/Owners	
Pavel	Chairman of Regional Chamber of Commerce, Production Director, Chairman of Board of Directors (14/9/2001), Chairman of Regional Chamber of Commerce, Chairman of Board of Directors, General Director (24/5/2002; 25/5/2002) Owner/Shareholder
Stanislav	Chairman of Supervisory Board (14/9/2001), Owner/ Shareholder (21/5/2002; 31/5/2002)
Petr	Finance Director (28/5/2002) Owner/Shareholder
Anton	Personnel Director (29/5/2002) Owner/ Shareholder
Jaroslav	Commercial Director (30/5/2002) Owner/ Shareholder

Autodil Director	
Bohdan	Human Resource Director (7/7/2009, 20/9/2013)
Autodil Senior Managers	
Josef	Plant Manager (25/5/2002)
Kamil	Quality Director 23/5/2002)
Dalibor	Plant Manager (31/5/2002)
Johan	Legal Advisor (27/5/2002)
Ladislav	Supervisory Director (22/5/2002)
Autodil Middle Managers/Enterprise Trade Union Officer	
Mirek	Marketing (23/5/2002)
Otakar	Sales (23/5/2002)
Tibor	Development (22/5/2002)
Radim	Designer (22/5/2002)
Kornel	Marketing (23/5/2002)
Nikola	Technical (27/5/2002)
Alice	Coordination (27/5/2002)
Milan	Marketing (28/5/2002)
Miroslav	Finance (29/5/2002)

Andrej	Accounting (29/5/2002)
Alexandr	Enterprise Trade Union Deputy Director (22/5/2002)
Hornice External Respondents	
Alexej	Director of Regional Chamber of Commerce and Industry for Hornice and Vysoký (10/9/2001; 14/9/2001; 8/7/2009; 19/9/2013; 16/4/2015; 5/9/2016)
Matej	Senior Officer of Regional Government Authority for Vysoký (13/9/2001)
Jakub	Local enterprise, “Elektro” Marketing Manager (12/9/2001)
Karel	Local enterprise, “Výkovky“ Commercial Manager (13/9/2001)
Evelina	Head of Municipal Department of Strategic Development, Hornice (11/9/2001; 16/4/2015)
Hana	Local Government Officer, Project Manager, Municipal Department of Strategic Development, Hornice (8/7/2009), 16/4/2015; 7/9/2016)
Iveta	Local Government Officer, Strategic Planning, Municipal Department of

	Strategic Development , Hornice (19/9/2013)
Barbora	Local Government Officer, Head of Economic Development Unit, Municipal Department of Strategic Development , Hornice (11/9/2001; 7/9/2016)
Helena	Local Government Officer, Strategic Planning, Municipal Department of Strategic Development, Hornice (16/4/2015)
Gabriela	Local Government Officer, Head of Urban Development Unit, Municipal Department of Strategic Development, Hornice (16/4/2015; 7/9/2016)