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SUBSIDIARY INFLUENCE THROUGH THE USE OF BOUNDARY SPANNERS: THE CASE OF IRISH SUBSIDIARIES IN US MNES

ABSTRACT

What role can talent exporting strategies play in enhancing the influence of MNE subsidiaries within the MNE. Based on case study data on the medical device industry in the Irish context we explore the dynamics of the politically constructed relationships between US MNE subsidiaries with corporate HQ. We find that subsidiary managers enhanced their recognition in the MNE by deploying and leveraging subsidiary boundary spanners at corporate. The major contribution of our work is the creation of a more advanced understanding of how MNE subsidiaries foster the effectiveness of their inpatriate boundary spanners in order to gain greater corporate recognition. We identify two very different roles that these boundary spanners perform in augmenting the subsidiary's importance namely; offensive roles through informal networking and defensive roles through strategic alignment. Additionally, we identify the drawbacks and implications of boundary spanners that are considered overly political or self-serving in these roles.

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INTRODUCTION

Evidence suggests that when deployed effectively, boundary spanners can be highly influential individuals in Multinational Enterprise's (MNEs) global networks (Schotter and Beamish, 2011). Indeed, the micro-foundations of subsidiary influence and power are largely based on the socio-political dynamics surrounding the political interests of key individuals at the headquarters(HQ)-subsidiary interface (Geppert and Dorrenbacher, 2014). Extant research has however largely failed to explain the role of the individual subsidiary manager in altering the balance of power between the corporate HQ and the subsidiary. In addition, although there has been a growing interest in the micro-political strategies that subsidiaries undertake to enhance their roles in the fight for corporate investment, this perspective has largely failed to consider the migration of individuals from the subsidiary to the HQ and the associated advantages this can provide for developing subsidiary influence (Geppert and Dorrenbacher, 2014; Plourde et al., 2014). As Reiche (2011) notes, individual managers who operate in boundary spanning roles at the corporate–subsidiary interface have the ability to act as key conduits in the transfer of knowledge from corporate to subsidiary level, which may subsequently be used as a basis for subsidiary influence. Addressing this research problem, this paper aims to explore the role of the subsidiary boundary spanner as a micro-political mechanism for enhancing the subsidiary's influence within the MNE.

This is an important contribution as it is increasingly recognised that in order for subsidiaries to develop their internal influence they need to be constantly engaged in corporate affairs, remain strategically relevant and become recognised by corporate for their achievements and

contributions to the MNE (Delany, 2000; Tavani *et al*., 2013). However, we have a poor understanding of how the subsidiary can become more closely integrated with corporate HQ and subsequently develop influence on the basis of this relationship (Mudambi *et al*., 2014). More specifically, how these dynamics are manifest at the micro-political level between individual managers at the corporate-subsidiary interface remains underexplored (Brenner and Ambos, 2012; Geppert and Dorrenbacher, 2013; Yamin and Andersson, 2011). Much of the research in this regard has fallen into the rubrics of global staffing mechanisms but these particular scholars have largely focused on the movement of labor and the effects this has on MNE power dynamics from a corporate perspective in the form of expatriate migration (Plourde et al., 2014). More importantly, there is a noteworthy lack of understanding around the mandates bestowed on the individuals who play the role of the subsidiary inpatriate boundary spanner and how these individuals may be leveraged to the subsidiary's advantage (Collings et al., 2010). Therefore, the central focus of this paper is in illustrating how exporting and leveraging subsidiary individual managers within the MNE and especially those at corporate can help establish more internal bargaining power for the subsidiary. More specifically, we aim to understand how do subsidiaries foster the effectiveness of their inpatriate boundary spanners to gain greater corporate recognition?

The paper is structured as follows. First, we position the current study within the extant literature, drawing on two relatively distinct bodies of literature: subsidiary influence and boundary spanning. The second section details the qualitative exploratory methodology of this study. The third segment presents the empirical findings based around the key themes that emerged regarding the specific boundary spanning roles of the subsidiary individuals at the corporate-subsidiary interface. Finally, we discuss the findings and their theoretical and practical implications.

ENHANCING SUBSIDIARY INFLUENCE

The concept of subsidiary influence is rather well documented in the literature through a number of different perspectives. Birkinshaw and Bouquet (2008b), for example, have discussed the importance of a subsidiary's structural and relational determinants respectively through its 'weight' in terms of its role (size) and its 'voice' (lobbying) regarding subsidiary initiatives (Ambos et al., 2010). Others have looked at the importance of subsidiary internal and external networks in facilitating this influence (Andersson et al., 2007). More recently, approaches to the micro-political dynamics of subsidiaries in altering corporate's intended strategies have been undertaken (Dorrenbacher and Gammelgaard, 2006). These studies have largely failed to analyse the importance of individual management transfers in the form of inpatriates, defined as individual managers that are transferred from the subsidiary to the HQ (Reiche, 2011), and how this aids in establishing subsidiary influence.

A contemporary argument on power relations in the MNE is that subsidiaries are becoming increasingly influential as they become more externally embedded in their distinctive local institutional environments through knowledge transfer and networking interactions (Tavani et al., 2013). As a result others have argued that corporate's role is now more like an equal partner or a distributor of mandates and as their subsidiaries become more locally embedded corporate becomes more exposed to the strategic manoeuvring of subsidiary managers to establish greater influence internally (Andersson et al., 2007; Ciabuschi et al., 2011). So much so that this paper echos the sentiments of recent provocations that establishing subsidiary influence through greater corporate engagement has been somewhat undermined or even overlooked (Mudambi et al., 2014; Yamin and Andersson, 2011). Although the MNE has become viewed as a federative loosely coupled organisational structure with distributed sub-units, it is above all a 'mandated' enterprise in which "interdependences with other parts of the organisation lay the foundation, as well as setting the limits, for the execution of subsidiary influence" (Andersson et al, 2007:

816). Therefore the subsidiary manager has little choice but to play by the 'rules of the corporate game' in order to establish and manipulate the different sources of power that ultimately reside at corporate. We argue that it is the sources of power, that result from internal engagement or embeddedness with corporate, that are the most effective for garnering subsidiary influence. In so doing we address this issue from a subsidiary influence perspective, illustrating how subsidiary managers can develop greater internal influence over their corporate counterparts.

A key challenge facing a subsidiary that may possess particular influential capabilities and external relationships, is that these are not considered influential unless they are 'recognised' and acknowledged, not just by corporate but more specifically by key corporate executives (Tavani et al., 2013). Gaining corporate recognition is an ongoing process that requires a significant degree of social skill through engaging in lobbying, politicking, promoting, advertising and issue selling (Delany, 2000; Ling et al., 2005). Increased corporate embeddedness is likely to provide leverage for the subsidiary when competing for internal investment, boost the attention it gets from corporate and subsequently enhance its optimal distinctiveness against other internal sites (Garcia-Pont et al., 2009; Yamin and Andersson, 2011). Furthermore, a high degree of corporate-subsidiary embeddedness can provide a platform from which the subsidiary can increase the recognition that corporate gives to the specific competencies residing at the subsidiary where such 'recognisability' can then be used by the subsidiary to gain more influence and bargaining power (Birkinshaw and Hood, 1998; Tavani et al., 2013). Therefore, while it may be important for subsidiaries to possess distinctive capabilities, this is not sufficient to gain influence, these capabilities must be both recognised by the corporate managers and also be relevant to the overall strategic direction of the MNE (Mudambi et al., 2014).

One avenue of research that has considered corporate-subsidiary interactions is the global staffing field and this work has explored the transfer of managers across the MNE from the perspective of the corporate HQ. However, recent research has pointed to the importance of inpatriation and its effects on the subsidiary's role (Beamish & Schotter, 2011). Drawing inspiration from these studies we argue that the migration of inpatriates to the corporate HQ provides the subsidiary with an avenue for influencing key corporate decision makers. For example, Barsoux & Bouquet (2013) found that when key subsidiary individuals interact to a greater extent with corporate executives it provides them with an opportunity to showcase the subsidiary's capabilities and craft a convincing narrative which legitimates their behaviour internally. Others have hinted at the use of a 'cooptation of elites' strategy as a way for the subsidiary to create more influence internally by deploying valued individuals at corporate and beyond (Birkinshaw and Bouquet, 2008a). Similarly, the potential use of high valued individuals in boundary spanning (HVBSs) roles and how they can increase the efficiencies within the MNE as a whole has been recognsied (Taylor, 2006). This strategy would involve tapping into influential individuals across the MNE in brokerage roles in order to lobby and negotiate with their corporate counterparts so as to create more bargaining power for the subsidiary. Based on these assumptions, this study takes the view that subsidiary influence is ultimately a concept that is socially constructed between subsidiary individuals in boundary spanning roles at the corporate-subsidiary interface. Hence, an important mechanism for the subsidiary to leverage that has been largely overlooked is the boundary spanning roles that these individuals play when spending time at corporate. This paper aims to address this issue from the micro-level foundations of subsidiary influence.

SUBSIDIARY BOUNDARY SPANNING ROLES

There is little consensus on how individuals within the MNE become boundary spanners and the extent to which the boundary spanner role can be formalised or even defined for that matter

(Schotter and Beamish, 2011). There is equally little understanding of how the MNE can foster these boundary spanners or how they are deployed throughout the corporate structure. R&D managers, sales representatives, human resource executives, IT professionals and the general managers are examples of professionals who can have explicit boundary spanning roles (Schotter and Beamish, 2011). Kostova and Roth have defined a boundary spanner as an "individual employed at a subunit who currently has, or has previously had, direct contacts(s) with a HQ representative (or representatives)" (2003: 304). Contemporary arguments have referred to inpatriates operating as subsidiary boundary spanners, or likewise, expatriates operating as corporate boundary spanners that can be deployed to gather, obtain and transfer knowledge a propos their respective counterparts (Reiche, 2011).

Most work in this domain has either focused on boundary spanners as minimisers of conflict or conduits of knowledge transfer from the bottom up. Schotter and Beamish (2011) argue that these individuals can draw on particular types of power in order to mimimise the conflict process between organisations, such as referent, individual, expert and informal legitimate power. Hence these boundary spanners may be generally less motivated by financial rewards and in certain instances their role can appear more "random or a function of the right person being in the right place at the right time" (Schotter and Beamish 2011: 255). Despite the nascent nature of research in this area, studies have alluded to a number of circumstances that create favourable conditions for boundary spanners, for example, the structure of the MNE may allow them to be actively involved at both the subsidiary and corporate levels functionally instead of role determined (Schotter and Beamish, 2011). Tenure (20 years or more) can also facilitate these individuals in creating more trust from top management at corporate in order to legitimate their roles. Other factors included age, locus of control, job involvement and behaviour.

These individuals are capable of playing a dual role within and around the MNE as they are deeply embedded in both the specific local context and the MNE as a whole (Vora et al. 2007). More specifically, individuals in boundary-spanning roles can help in brokering relationships between key decision makers at the corporate subsidiary interface as they can identify with the logic of both corporate and the subsidiary and hence can be particularly effective at crafting agreements between parties (Mudambi and Swift, 2009). For example, Reiche (2011) discusses the role of inpatriates' boundary spanning between their subsidiary and HQ for transferring knowledge to corporate staff and leveraging the social ties they have established at the corporate HQ and the social ties they maintain at the local subsidiary. Harvey (1999) distinguishes between semi-permanent and permanent inpatriates as boundary spanners in order to contribute to the capability of the top management team at HQ while other scholars conceptualise a more short-term time frame of 3-5 years (Reiche, 2011). Others have illustrated that these inpatriate boundary spanners on permanent relocations to HQ tend to lose their political influence at the subsidiary and hence their ability to network or broker between important contacts at HQ (Burt, 2004). This suggests that these boundary spanners must broker between contacts they have established at the HQ and those that maintain at their home unit in order to be effective (Reiche, 2011) and these interactions can provide opportunities for both parties to start interacting with one another more regularly and hence share more information, subsequently developing greater engagement.

For the most part existing studies have focused on how corporate can obtain rich local knowledge from transferring subsidiary staff to their offices and subsequently by socialising these inpatriates into the corporate culture (Harvey and Novicevic, 2004). Another important consideration is that these individuals use much more subtle informal mechanisms when carrying out their roles. It is argued that they are only partly formalisable, and hence very few subsidiaries are able to foster the effectiveness of the boundary spanning role (Schotter and

Beamish, 2011). Hence, the mandates that are bestowed upon expatriate managers for example to reduce a subsidiary's strategic misalignment through social control are quite different from the coordination task of an inpatriate boundary spanner (Tung, 1981). More importantly, there is a noteworthy lack of understanding around the mandates bestowed on the individuals who play the role of the subsidiary inpatriate boundary spanner and how these individuals may be leveraged to the subsidiary's advantage.

Drawing inspiration from Birkinshaw and Bouquet's (2008a) 'cooptation of elites' strategy as a point of departure, our study considers the purposeful exploitation of these individuals from a subsidiary perspective and the subtle roles that these individuals can play in gaining greater recognition from corporate. We adopt the perspective that the strategic deployment of subsidiary individuals in boundary spanning roles at corporate offices can be an effective tool for facilitating subsidiary influence. Therefore in setting out to examine the role of the inpatriate boundary spanner in developing subsidiary influence the current study aims to contribute to the literature in these two areas from a subsidiary perspective. The core focus of this study becomes how do subsidiaries foster the effectiveness of their inpatriate boundary spanners in order to gain greater corporate recognition?

METHOD

Channelling Edmonson and McManus's (2007) idea of methodological fit, an exploratory approach was considered appropriate given the relatively low development of current theory and research on the topic surrounding the subsidiary boundary spanner. Adopting a phenomenological perspective we employed qualitative methods to investigate managers' attitudes towards engaging in these types of activities. As Birkinshaw et al. (2011) note, qualitative research can play an important role in garnering a deeper understanding and

developing a more dynamic, process-orientated model of the micro-processual interactions between individuals at the corporate-subsidiary interface.

The size and the nature of the sample allows largely for theoretical as opposed to numerical generalisations as the former is more suited to the goal of this research which is to contribute to the development of new constructs in what is a nascent field of research (Gioia et al., 2013). This exploratory study exercises an inductive case study approach as they are considered critically appropriate tools for exploring the early stage relationship between key variables in close interactions with manager's real life situations (Gilbert et al., 2008). Case studies can also help the researcher go deep in complex matters, which are not wholly understood (Yin, 1994). In designing the case study framework, the researcher was conscious that the primary purpose of the research was to develop theory, not test it, hence Eisenhardt's (1989) 'theoretical sampling' technique was used where cases were selected on their suitability for illuminating and extending the micro-foundations of subsidiary influence. The sample involved 4 U.S. MNE subsidiaries based in the medical technology industry in the west of Ireland.

Semi-structured interviews with MNE subsidiary managers were chosen as the main method of data collection as they are flexible enough to facilitate exploration of under-examined phenomena or constructs (King, 2004). 30 semi-structured interviews that were performed in total, from a time period of December 2011 to December 2012 (7 interviews were held first in HEALTHCO, followed by 8 in MEDCO, 6 in CHEMCO and 8 in PHARMCO respectively). Subsidiaries were given pseudonyms to provide anonymity. 4 of these interviews were carried out with a corporate executive from each the corporate HQs of each subsidiary in order to attempt to triangulate the subsidiary managers responses. The interviews were mostly conducted face to face at company offices with two interviews being carried out over phone and lasted an hour and a half on average. Interviews were all recorded and transcribed verbatim to ensure data cleaning (Saunders et al., 2009). Most subsidiary managers were chosen

according to 'purposive sampling' (Lincoln and Guba, 1985) and obtained global roles, which added more depth to the interviewee candidates and their understanding of what corporate valued. An interview was also performed with a single representative from the Industrial Development Agency (IDA), which is an Irish institutional body responsible for promoting Foreign Direct Investment (FDI), who was identified by a number of subsidiary managers as a key mediator in the corporate-subsidiary relationship and the attraction of FDI extensions.

Drawing insights from Eisenhardt and Graebner (2007), the researcher's interpretation of the qualitative interview data was very much an iterative concurrent process of constant comparison between data analysis and data collection over time in a recursive interplay between rich data and emerging conceptual insights that can be related to existing theories and also allow one to create new theoretical insights (Doz, 2011). Upon consulting the literature this research process was viewed as transitioning from more inductive to an 'abductive' fashion in that data and existing theory were juxtaposed in tandem (Gioia et al., 2013; Pauwels and Matthyssens, 2004) signifying a constant dialogue between the researcher and the emerging theory resulting in theoretical ideas being continuously refined as the analysis progressed (Dubois and Gadde, 2002). Questions concerned contact time with HQ, channels of communication, personal relationships, initiative taking and general influencing approaches of subsidiary managers. In doing so, interviews were coded according to the conventions of template analysis where the researcher produced a list of codes representing themes identified in the contextual data (King, 2004). The initial template was taken from a priori codes based on the main interview questions. The data were then coded against this template with new codes being added and a priori codes being progressively redefined as the recursive process progressed. Informed by this approach we aimed to go beyond individual subjective meanings by detecting commonalities in managers' expressed opinions and formulating explanations about the generative mechanisms for these patterns. Through continued analysis of the data and

through vigilance over ones philosophical assumptions, one can determine the essence of what is a consistent understanding of a person's meanings and actions and thus a reportable finding (Miles and Huberman, 1994).

Verifying and reporting required addressing quality criteria relevant to the chosen methodology. Construct validity is relevant in the data collection phase and considers issues of operationalisation, as it flows from the ability to narrowly define theoretical constructs (Bacharach, 1989; Suddaby, 2006). This study adhered to this test by adopting different angles of examining the same phenomenon, through collecting different data sources in the form of interview data, company reports, media reports and visits. Internal validity was established through 'constant comparison' techniques of within and cross-case analysis along with 'pattern matching' between relationships in the current data and the previous literature (Eisenhardt, 1989). This study also adhered to external validity tests in the form of analytical generalisation (Eisenhardt, 1989) by providing a clear rationale for the case study selection and ample details of these cases giving a reasoned appreciation for sampling choices (Cook and Campbell, 1979; Gibbert et al., 2008). Reliability allows for replication of the study and it was ensured through recording all face-to-face interviews, carefully transcribing these tapes verbatim as well as presenting long accurate extracts of data in the findings section (Gibbert et al., 2008). Additionally, transparency and replication were ensured here through a case study database of transcripts, summaries, comparisons and company information (Yin, 1994).

FINDINGS

Two main roles encapsulated the informal positions that subsidiary boundary spanners occupy in seeking greater corporate recognition, namely; informal networking and strategic alignment. In essence the point of departure for each subsidiary was based on the philosophy of becoming a more 'attractive' place for corporate to invest in by generating greater 'recognition' for their

accomplishments. For example, HEALTHCO's Plant Manager summed up this perspective by stating, "there is a whole series of things we did to make sure that we managed the plant carefully….and it all fed into the same discussion [at corporate]. 'Should we invest in HEALTHCO?' – absolutely!".

Informal Networking

Informal networking from subsidiary boundary spanners at corporate emerged as one of the most important themes in our findings. Subsidiary managers proactively developed subtle ways of percolating or infiltrating the corporate offices with boundary spanners, through both short term occasional visits and on a long term basis in order to develop their informal networks of influence. The general belief among subsidiary managers was that the greatest threat was the idea of being "out of sight and subsequently out of [corporate's] mind", which increased the necessity for "walking the corporate corridors" to "keep visible to people" (Global Marketing Manager HEALTHCO). Respondents discussed the value of establishing connections with corporate at formal events such as annual reviews and presentations but that this is "very much a dog and pony show" as the "real business is done in the indirect informal interactions" (Plant Manager HEALTHCO). The Manufacturing Engineering Manager at MEDCO reinforced this view with a particular example adding that "if you lie low and wait for it to happen it might happen but it will come at a much slower pace or at a much lower level". A further example highlights the important role that these inpatriate managers played in establishing networks with key corporate decision makers,

> [I]t was people here that went out and got stakeholders on our side at corporate, people of influence, in terms of selling the case and presenting a compelling case of why this makes sense….eventually we got enough of support on our side at influential levels throughout the corporation and got it a point where it got reviewed and improved
>
> (VP Global Vascular Operations MEDCO).

Furthermore, managers highlighted the impact of tapping into the "corporate grapevine" (HR Manager MEDCO) as this can be vital in influencing the early stage of new products and also putting oneself on a strategic project,

> You have to be seen over there. You will loose touch, if I wasn't over there I would just be a name that is in a remote location doing some good work but now we have a name and a relationship and it is very different. You get to hear news.

Interestingly, Irish subsidiary managers were profoundly strategic in their visits and networking activities at corporate, prolonging visits to meet and converse with key decision makers. Moreover, a particular issue which materialised, after surfacing at an early stage with the HEALTHCO Plant Manager, was the importance of "having a couple of friends in corporate". Irish subsidiary managers described the significance of having a contact at corporate that had come from the subsidiary plant and was now operating out of corporate offices in a full time role. The Plant Manager at HEALTHCO described the success of a particular initiative they proposed to corporate in this regard by stating, "it has gone much better than I would have ever hoped. I put that down to the fact that we had built up a lot of friends over the years… the Global Director of Engineering came from here [Ireland] too, and the VP for overall R&D came from here so we have been able to populate the corporation's structure".

The role of the boundary spanner in this light was extremely proactive and the Plant Manager at HEALTHCO further emphasised that he actively promotes the credibility of his Irish managers so that they will be considered for potential positions in the corporate offices. This showed a highly mindful approach to utilising a strategy of 'pollinating' subsidiary boundary spanners in corporate in order to build a network of influence for the subsidiary. This pollination strategy allowed for subsidiary managers to leverage these inpatriates, in that they started out as Irish

employees and hence have always "donned the green hat"[1] (VP of Global Vascular Operations MEDCO). This approach was skilfully performed most evidently in HEALTHCO and MEDCO through careful informal conversations where the subsidiary manager would identify future roles in corporate and promote the potentially 'suitable' capabilities of their most credible employees. direction was and in what areas they were planning to develop their corporate capabilities.

The most insightful remarks in this regard were made by the HR Manager at MEDCO when he added that investments and decisions are made with regard to the subsidiary manager in question and not just the subsidiary itself as "they [corporate] become aware of the plant [Irish] and the people, the people is a very strong part of it, so they don't give anything, they give things to the person". When pressed on the mechanisms they utilise in this regard, the HR Manager at MEDCO also acknowledged that they had an explicit strategy for populating the corporate structure based on the successfulness of past managers who had operated out of corporate and how these are now effectively 'friends' at the corporate table. Furthermore, the Senior HR Manager openly discussed how MEDCO has fundamentally become a "talent exporter", especially for key positions at corporate. Of the corporate representatives that were interviewed for this research, the general consensus was that this form of networking was successful in that it created recognition for the Irish subsidiary by establishing these connections,

> The main advantage of having people in higher level positions in the corporation that have come from [Ireland], is that it sends out a message, as most people that have gone to the US have really progressed through the company and risen to high levels so that sends a very strong message about the capability of the people produced in Ireland
>
> (VP Global Vascular Operations MEDCO).

[1] 'Donning the green hat' was an expression used by several interviewees in relation to influencing HQ for the Irish subsidiary's advantage.

Strategic Alignment

The second role of the subsidiary boundary spanner involved emphasising the specific capabilities the subsidiary possessed and how these were very much aligned to the corporate agenda. As opposed to the offensive role outlined above, it became clear that this approach was utilised in particularly defensive situations, namely when the subsidiary feared that functionality would be lost due to restructuring in the MNE or when they were attempting to competitively distinguish themselves internally. For example, the constant restructuring of existing operations in order to create and free up physical space for more value added functionality that was potentially on offer allowed Irish subsidiaries to be strategically positioned in the "right place at the right time". PHARMCO were particularly cognisant of becoming "engineers of this flexibility" and the following quote denotes this observation of consolidating to remain strategically relevant,

> We have had high level conversations about how much space could be freed up and that is when you get creative, how do we leverage what we have here, what are the products that do not make a lot of sense, is there something of higher value that we can put here…a new acquisition in the US for example about six months ago we acquired a company that makes products very similar to ours … so probably a decision will be made on that location, I think I am well locationed because those products are very similar so I have been making sure that my boss understands.
>
> (Plant Manager PHARMCO).

PHARMCO's Engineering Manager stated that he was conscious that the subsidiary also had to stay as competitive as possible. He felt it was key to always try and bring to the table "things to make us stand out internally". The corporate interviewee at PHARMCO highlighted the consequences of not being competitive in that "some plants are competitive and do well whereas others aren't as competitive and they tend to loose certain product lines" (Senior QA Director PHARMCO). Similarly the corporate perspective from MEDCO was that they accepted that "there is a lot of competition between plants. Obviously every plant is looking out

for itself and wants to win as much opportunity as possible …we don't want it to become stifling either where people want to keep everything to themselves and are not prepared to share… where internal competition is healthy" (VP of Global Vascular Operations MEDCO). Most significantly it emerged that managers at MEDCO had developed an informal system that allows them to be 'constantly tapped into' what changes are being carried out at corporate and subsequently adjusting the subsidiary structure according to the corporate agenda. The Lean Sigma Manager at MEDCO highlighted the importance of this "check adjustment loop system" below,

> We are aligned to the corporate strategy and seen to be making a big contribution to that strategy …So we are aware of the change in the new CEO and the change in the strategy so one of the things that we have been working on as a site over the last number of years is our strategy deployment process and the frequency of the check adjust loop - the check with the corporation and adjust your strategy.

This process was leveraged through their boundary spanners who were vital for feeding back knowledge on what the new CEO was "hot on". Subsidiary boundary spanners in this regard took the form of glorified salespeople, promoting the subsidiary to corporate at every chance in order to align their efforts, particularly in juxtaposition to other internal subsidiaries. This finding was highlighted across all four cases. Interestingly, the important point for interviewees was not just the actual achievement of a consistent track record but the way in which subsidiary managers built a brand around the consistency of this track record when communicating to corporate. This form of image control was pursued relative to other subsidiaries in the MNE as a way to differentiate the Irish subsidiary. The Director of R&D at MEDCO summed up this process when he described the importance of first building relationships through the talented individuals in the organisation, subsequently selling yourself through visits and a process of PR but that timing in this process is key, so being able to show your specific capabilities for example through having a prototype ready when the corporate managers are attending a site

visit. Ultimately the strategy of 'telling a story' to corporate was a way for the Irish subsidiary to be perceived as strategically aligned and this alignment was relative to how other internal subsidiaries were performing.

DISCUSSION & CONCLUSIONS

This study contributes to the literature on the micro-level foundations of subsidiary influence by providing a clearer conceptualization of the role of the subsidiary individuals in boundary spanning positions. Subsidiary boundary spanners take up a number of different informal roles mainly offensive in the form of informal networking and defensive in the form of enhancing strategic alignment of the subsidiary with corporate. Informal networking appeared to be an ongoing process that was most effective when the subsidiary was attempting to convince key decision makers of the credibility of an initiative they were attempting to gain investment for. Individuals in subsidiaries that occupy boundary-spanning positions at corporate have the ability to proactively tap into valuable networks of influence and allow the subsidiary to gain greater corporate recognition for their initiatives. Additionally, from a managerial perspective our findings suggest that subsidiary managers can and do proactively use these individuals as an effective way to enhance the subsidiary's recognition at corporate by building the subsidiaries' profile in relation to other internal subsidiaries.

In doing so this research illustrates that greater corporate recognition for subsidiary initiatives is not solely based on subsidiary characteristics, but more specifically on the particular individuals that lobby and engage with the corporate on the subsidiary's behalf. Interestingly, echoing other scholars (Mudambi et al., 2014; Tavani et al., 2013), our findings demonstrate that the subsidiary can have specific capabilities and external relationships that may be valued at corporate but it is the particular role that the subsidiary boundary spanner plays in emphasising and addressing the significance and relevance of these capabilities and their

alignment to the corporate agenda, which ultimately leads to corporate recognising the value of subsidiary. Furthermore, we extend conceptual arguments from Bouquet and Birkinshaw (2008a) who posit that subsidiary individuals with more credibility receive favorable assignments and in turn those assignments provide exposure and opportunities of influence for the subsidiary within the MNE. In the long term these micro-political tactics are subtle informal power moves that provide subsidiary managers with a way to alter and shape the structure of corporate-subsidiary relations, causing more decision making autonomy to flow to the bottom. Additionally as these micro-influential tactics manifest and subsequently alter the structure of decision-making power within the MNE, the role of corporate as the chief orchestrator of resources will be reshaped and will ultimately need to be readdressed (Ciabuschi et al., 2011).

Overall our findings exhibit that subsidiary managers felt the need to 'create more friends' at corporate. This reflects the perception that if corporate is willing to devote attention to valuable information in a particular subsidiary that information has to be perceived as both important and originating from a trusted source (Plourde et al., 2014). Therefore these contacts provide the subsidiary with personal connections that aid in channeling and framing valuable messages to and from corporate that is more likely to benefit the subsidiary. Furthermore, tapping into senior figures at corporate can offer a private view into the upper echelons of the organisation (Barsoux & Bouquet, 2013) or more specifically in the case of our findings a 'seat at the corporate table'. Our findings extend Cantwell and Mudambi's (2005) arguments that these 'subsidiary champions' do influence critical corporate decisions by developing legitimate accounts of both the subsidiary and the different reasons why its managers are the 'right people for the job'. Therefore, "political skill in influencing the parent in essential" and this requires an ability to build up personal relationships on an ongoing basis and subsequently leverage these relationships when the time is right (Molloy & Delany, 1998: 33). Boundary spanners in our case were aware of the 'hot buttons' (Molloy & Delany, 1998) of corporate executives and

pressing these in order to provide the subsidiary with significant strategic leverage. In this sense, our findings further our understanding of the micro-foundations of subsidiary influence, especially with regard to the socio-political interactions that take place between individuals at the corporate-subsidiary interface (Geppert and Dorrenbacher, 2014). We do so by emphasising the offensive and defensive roles that subsidiary boundary spanner plays within the MNE.

Our findings add empirical evidence to Bouquet and Birkinshaw's (2008a) argument on the importance of creating a 'cooptation of elites' strategy for the subsidiary within the MNE. More specifically, a key finding is that the subsidiaries developed a 'talent exporting' strategy that allowed them to deploy valuable individuals in key positions at corporate whether through short term visits, long term assignments or permanent roles. Although recent arguments have elevated the significance of tapping into local knowledge in external environments, subsidiary managers in our study were extremely conscientious of developing their strategies first and foremost around engaging effectively with key individuals at corporate in the first instance. Informal roles played by subsidiary individuals in boundary spanning positions in the form of network connecting and enhancing strategic alignment are a more effective way for subsidiaries to influence corporate investment. In effect we argue that in order to develop a more nuanced understanding of subsidiary influence further consideration needs to be given to the micro-political interactions that take place between key decision makers at the corporate-subsidiary interface.

We acknowledge several limitations of the current study and in doing so suggest potential opportunities for future research. The decision to focus the study on US based subsidiaries was made for several reasons. A single host country design controls for major variations in institutional settings, such as national institutions, labor markets and university-firm linkages are likely to have an important effect on the process and mechanisms through which knowledge travels (Frost, 2002). Employing a single FDI home country and a single host country helps

control for the factors particular to the home and host countries (e.g. cultural political, social and economic factors). A further limitation in this regard is that the research was effectively carried out as a 'snapshot' (Saunders *et al*., 2009) of subsidiary influence for a certain period of time (2009-2012) where the path dependent tendencies of the subsidiary's relationship with corporate were not taken into account. The way in which a subsidiary's mandate develops is largely dependent on the historical evolution of how its role has developed within the MNE (Birkinshaw & Hood, 1998). Further studies could take a more longitudinal perspective in order to incorporate the effects of this path dependent analysis. It is important to note that it was not possible to identify explicitly the exact makeup or characteristics of these subsidiary individuals. For example, although subsidiary managers did mention that they had considered creating informal roles or positions for lobbying corporate executives, they did not refer to the calculated selection of these boundary-spanning individuals according to certain criteria or individual characteristics. It is intended that future work could therefore attempt to investigate more purposely this particular issue in more depth. More importantly future work should seek to address the lack of understanding around the formal mandates, if any, that are bestowed on the subsidiary individuals who fulfil boundary spanning roles.

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