

**Multinational and Transnational Organisations:
The Role of Globalizing Actors**

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Abstract

MNCs are important players in the diffusion of management ideas, knowledge and norms across borders because of pressures to standardize practices as much as possible, while adapting to local differences as much as necessary. The international management literature increasingly highlights the important role of individuals within those MNCs in cross-border norm diffusion, but we still lack an integrated approach to these ‘globalizing actors’ and their activities. We discuss international management research related to knowledge transfer in MNCs, international assignments and global elites and consider its contributions and limitations in terms of aiding our understanding of globalizing actors in relation to management ideas. Arguing that this work holds important insights, but says little about how actors mobilize their skills and resources to navigate complex environments, we draw on a more diverse range of research to bring context and person back into focus.

Keywords: MNCs, management ideas, knowledge transfer, organizational norms, institutional context, globalizing actors.

Introduction

Multinational corporations (MNCs) play a crucial role in the internationalization of management ideas - adopting and spreading the management ideas created or advanced by actors such as consultancies, business schools or 'best practice leaders' in industry. They take nascent management ideas and convert them into corporate practice across borders, establishing new norms of behaviour and ultimately helping institutionalise them. They do so both by integrating their own operations across borders (Edwards et al. 2013) and coordinating across firms within global production networks and value chains (e.g. Riisgaard and Hammer 2011). Within the sphere of human resource management (HRM) for instance, they commonly seek to establish global norms on issues such as performance management, career development, work organization and labour standards (e.g. Pudelko and Harzing 2007). The ability to develop such global norms, and to manage the tension between the advantages of standardizing norms across countries and those of adaptation to local context, is widely considered as crucial to MNCs' competitive advantage (Gupta and Govindarajan 2000).

The ways in which MNCs are involved in the (re)production, use, and contestation of management ideas are manifold, and we do not aim for exhaustive coverage here. We focus on the various parts of the literature related to the mechanisms, processes and dynamics associated with firms standardizing their practices across borders (see also Rasche and Seidl in this volume). In other words, we examine the role of MNCs as a conduit for spreading management ideas and organizational norms internationally. Related research has examined how MNCs develop structures to standardize HRM and other practices and enable cross-national learning (e.g. Brewster et al. 2008; Tregaskis et al. 2010). Similarly, institutionalist research has revealed the socially embedded nature of power relations, as global norms are negotiated by actors at different levels of the MNC (Almond and Ferner 2006; Edwards et al. 2007). Elsewhere, work

has examined the orientations and values of those in international positions (Chhokar et al. 2013) and the management of international assignments (Collings et al. 2007). However, we shall argue that some of the existing literature takes a rather ‘depersonalized’ view of the process of global norm-making in MNCs, treating firms as singular entities without asking who the actual actors are within firms that pick up new management ideas, spread them across borders and contribute to establishing them as behavioural norms.

In this chapter, we argue that although research increasingly highlights the important role of individuals within MNCs in international positions and those tasked with coordinating between headquarters and international subsidiaries, we still lack an integrated approach to these ‘globalizing actors’ and what they actually do within their institutional and organizational contexts. Individuals in diverse roles may have elements to their work that make them globalizing actors—from travelling salespeople who interact with offices around the world, to those in functional roles with international remits, and senior executives with global leadership responsibilities. Although we aim to consider individuals in a broad range of roles, our main focus is on managers that are *globalizing actors*.

This chapter has two parts. In the first part we discuss three strands of the international management literature that pertain in some way to the roles and actions of internationally mobile or cross-border coordinating staff, namely those concerned with: (1) knowledge transfer in MNCs (2) international assignments and (3) global elites. Considering their contributions and limitations in terms of aiding our understanding of globalizing actors and their actions in relation to management ideas, we argue that these three strands of work hold important insights but say very little about actors’ skills and resources, and how they mobilize these to navigate diverse organizational and institutional contexts. To address this gap, the second part of the chapter

widens the scope to draw on a more diverse range of research in order to bring the context and person of these intermediaries back into focus.

Globalizing Actors in the International Management Literature

The international management literature has not used the term ‘globalizing actors’ nor has it studied systematically internationally mobile or cross-border coordinating staff, but has given consideration to some relevant issues. In particular, research on knowledge transfer in MNCs, staff on international assignments and on global elites helps us shed light on certain aspects of the role of globalizing actors.

Knowledge Transfer in MNCs

A large body of research has explored how MNCs transfer knowledge and expertise across borders and the conditions needed for this process to be effective. Along with the wider literature on headquarter-subsidary relationships in which it is embedded, this line of research has shifted from a focus on the HQ and its formal means of transferring knowledge to subsidiaries, towards a stronger emphasis on the role of subsidiaries and informal knowledge diffusion mechanisms (Kostova et al. 2016). Thus, recent research has focused on knowledge coordination across subsidiaries (e.g. Williams and Lee 2011), reverse knowledge transfer (e.g. Edwards and Tempel 2010) and the micro-foundations of knowledge creation and transfer processes by building on the role of international managers (e.g. Johnson and Duxbury 2010).

Much research on knowledge transfer in MNCs emanates from a focus on transaction costs. For instance, Teece (1981, p.85) argued that knowledge—particularly uncodifiable or tacit knowledge—cannot easily be transferred between organizations across borders “because of the problems of disclosing value to buyers in a way that does not destroy the basis for exchange.”

Consequently, the management structures and associated processes of the multinational are a relatively efficient way of engaging in technology transfer. Gupta and Govindarajan (2000) operate in a similar tradition, demonstrating that such factors as the ‘richness of transmission channels’ and the ‘absorptive capacity’ (defined as the ability to understand knowledge generated elsewhere, assimilate it and apply it) of units are crucial factors in the effective flows of knowledge across MNC borders (see also Asmussen et al. 2013; Bartlett and Ghoshal 1998).

While the focus of most of this work is on knowledge flows between units, the importance of individuals has only begun to be explored in more recent contributions to this literature. Teece (1981) for instance, recognised that the transfer of technology required the transfer of ‘skilled personnel’, noting that these people require ‘team support’. Such early work in this literature, however, does not say much about the nature of the work of the globalizing actors who are central to our focus on creating, disseminating and implementing ideas and establishing global norms. Its primary focus is on the capacity of subsidiaries and it is largely an organisational, ‘de-personalised’ view of the multinational. More recent contributions have begun to explore the micro-foundations of knowledge creation and transfer in MNCs, indicating a trend towards recognizing the role of individual actors in this line of research (Johnson and Duxbury 2010; Foss 2006). This literature addresses an area – knowledge transfer – that globalizing actors might be involved in, but work remains to be done on individuals whose roles are transnational in nature as well as the nature of the transnational work.

A related shortcoming of this strand of literature is its limited treatment of the internal politics of knowledge transfer. Gupta and Govindarajan (2000), for instance, begin to explore the differences of interest within MNCs that knowledge transfer may generate and be obstructed by. They conceptualise the ‘motivational disposition’ of the donor unit, acknowledging that know-how can be “the currency through which they acquire and retain relative power within the

corporation” (Gupta and Govindarajan 2000, p.475), resulting in potential donors being reluctant to share their unique knowledge. Their empirical results were ambiguous, however, quite possibly because their measure of the motivational disposition was confined to how the subsidiary president’s bonus was constructed as a proxy for the unit’s motivation—a rather blunt tool to assess the factor in question. Similarly, Asmussen et al. (2013) review a number of potential barriers to effective knowledge transfer, including the level of ‘distrust’ in the relationship between units. Both of these studies concentrate on the aggregate organisational level, thereby ignoring the variety of actors that is relevant. While there is some limited reference in such studies to the contested nature of transfer, this is not followed through fully in the empirical work. Overall, this research has demonstrated that knowledge does not readily transfer and that the attributes of senders and receivers (or different units in an organisation) are important antecedents of transfer outcomes. However, it is limited in its treatment of the social dynamics of the causal mechanisms at play. It has not been especially revealing concerning the contexts that globalizing actors inhabit, the skills they need or contestation between actors. More recent contributions have begun to shift the focus to the micro-foundations of knowledge creation and transfer, highlighting the need to move from treating MNCs in general and subsidiaries in particular as largely homogeneous groups of staff to seeing them as comprised of multiple groups whose interests sometimes diverge.

International Assignments

While the ‘knowledge transfer’ literature in MNC research is only in part focused on individual actors, the second strand is concerned precisely with this group. The mainstay of the international HRM area is the study of those on international assignments. This literature is rooted in the seminal work of Edström and Galbraith (1977), who identified the key role played

by expatriates in controlling and coordinating between various units (HQ and subsidiaries) of MNCs, and in particular how they transfer knowledge and perform strategic functions. The interest of this literature has been with expatriates as a group, their career patterns and the roles they play (Bonache et al. 2007).

One issue dealt with in this literature is the vexed question of whether international assignments have a high failure rate. For many years, there appeared to be a consensus that international assignments commonly failed i.e. the assignee returned prematurely (for contrasting views, see Harzing 1995; Forster 1997). Recent research into ‘expatriate failure’ has explored particular sources or types of problem, such as breaches of the psychological contract in explaining expatriate behaviour (Kumarika Perera et al. 2016). A second issue is what it takes to be ‘multicultural’ (Fitzsimmons 2013) or ‘bicultural’ (Zhang 2015). This is often defined as individuals who have more than one cultural schema, who identify with more than one culture. This work has distinguished between bicultural behaviours (such as knowing how to fit in with local manners, speaking the language and being appropriately deferential or assertive), and going deeper by “internalizing the values of the host country culture” (Zhang 2015, p.76). A third issue is employer strategies in using international assignments. For instance, Gong (2003) has argued that Japanese MNCs have a greater use of parent country nationals in culturally distant subsidiaries, and that they tend to decrease their use of them over time as the information asymmetry problem associated with cultural distance decreases. Fourth, research has thrown light on the changing nature of such assignments (Shaffer et al. 2012). Collings et al. (2007) point to multiple types of international assignment, arguing that the notion of a long term expatriate manager is outdated. They highlight the importance of short term international assignments, frequent flyer assignments, commuter and rotational assignments, and global

virtual teams. Indeed, international assignments are often short-term in nature and only rarely part of a coherent career plan (Forster 1997).

A connected strand of literature is that on international mobility. It is concerned with recruitment, retention and repatriation of internationally mobile staff—and the barriers arising. It is often situated in the field of economic geography and therefore tends to consider questions of spatiality and how expatriates benefit from, and contribute to, the cities, networks and organizations they inhabit. Parts of this work have focused on linking international mobility to the knowledge transfer literature. Adopting Bartlett and Ghoshal's (1998) seminal typology of MNCs (multinational, global, international, transnational), Beaverstock (2004) analyses the role of expatriation in knowledge management through empirical evidence from professional service legal firms. He finds that expatriation plays an important role by enabling such firms to “develop, manage and diffuse idiosyncratic knowledge from the centre to the subsidiaries, and between all units in the network, with the major objectives being to service the client and increase profitability, and market share” (Beaverstock 2004, p.174). Different expatriation typologies were evident depending on the region of the globe: in east Asia, a ‘multinational’ typology was found, with knowledge flowing only one-way to the foreign subsidiary with important roles taken by expats; in Europe and North America a ‘transnational’ typology was found, with network relationships dispersing the knowledge created and diverse management actors and the creation of ‘transnational communities’ within the company.

Research on international assignments contributes to our understanding of the individual capabilities that those on international assignments need when working in unfamiliar national settings. However, there are three limitations. First, while it has told us something about the nature of the assignments (e.g. short-term or commuting), it is not sufficiently grounded in the material job context. Second, large parts of this literature do not say much about the corporate

contexts within which these actors operate and how they strategize and contest the positions of others. In this sense, the first two problems are linked; it is not a *depersonalized* approach as was the case with foundational work in the knowledge transfer literature, but it is often a rather *decontextualized* approach. Third, while there has been work on the differences in cultural values between expatriates and locals, little attention has been paid to the cultural norms which management ideas and practices are embedded in. Consequently, it is lacking systematic consideration or conceptualisation of ideas, norms, and institutions.

Global Elites

The third strand shares the focus on individuals adopted by the second, but is pitched at a different level through a focus on elites. Largely addressed by sociologists, there has been a debate concerning the extent to which elites in society are now organized on a global basis. Some argue that there is a coherent and influential class of executives, politicians, regulators and advisers who share an interest in the globalization project and who identify with global ways of doing things, becoming detached from national capitalisms. Sklair (2002) argued that these developments have led to the existence of a ‘transnational capitalist class’ which manages global rather than national patterns of economic activity and has an orientation that is largely detached from particular territories and politics (see also Carroll and Sapinski 2010).

Others argue that those running big companies are strongly enmeshed in national economies. For instance, Harvey and Maclean argue that “elite organisation and networking are still very different [in France and the UK]”. Indeed, they make the case that their “research points overwhelmingly not to convergence, but rather to continuing diversity among national business systems, to the persistence of national distinctiveness and the strength of cultural reproduction” (Harvey and Maclean 2008, p.117). In a similar vein, Andreotti et al. (2013)

investigated the material elements of the working lives of senior managers across several European cities. This included the extent of their experience of working in different countries, how much they travel, where they get news from, the spread of their friendship networks, and membership of associations. They found that the vast majority had strong links with the country, and in some respects city, in which they had their primary base, arguing that “the image of free-floating, upper-middle-class workers, suspended in their transnational networks, is very different from the managers’ actual lives” (Andreotti et al. 2013, p.42).

This is not to say that individuals who are rooted in particular communities are not becoming more mobile. Andreotti et al. (2013) highlighted the way in which many of their research subjects were part of ‘virtual transnational’ networks, heavily reliant on digital technologies. Accordingly, Savage et al. (2005) argue that increasing mobility and exposure to new networks throws up fresh opportunities and can lead to changes in how individuals relate to their original community. This behaviour can also be understood as ‘partial exit’ strategies, with actors simultaneously experiencing greater mobility whilst seeking to hold “onto the reins of power in their local communities” (Andreotti et al. 2013, p.41).

Explicitly linking the global elites literature with research on international assignments, a strand of work has analysed expatriates as a class and the wider impact they have on the locales and societies they inhabit. For instance, Beaverstock (2002) has examined transnational elites of expatriates in international financial centres (IFCs) and argues that they are “major agents in the accumulation and transfer of financial knowledge in the IFC, and that such processes are undertaken through expatriate global-local knowledge networks and other social practices” (2002, p.525). Beaverstock (2005) has also shown how expatriates reproduce ‘transnationality’ in major financial centres through their career paths, mobility and their professional and social networks. Put differently, expatriates constitute a class of elites that plays an important role in

spreading knowledge, ideas and norms across borders and establishing them within their professional environment.

This work documents what actors do through tracking the material elements to their work. It therefore avoids the dangers of the depersonalised and decontextualized approaches that related to, respectively, parts of the knowledge transfer and international assignments literatures. Moreover, some of this literature has shed light on how globalizing actors form international networks without giving up their original national identities, and how they play a part in creating new global norms within their professional environment. However, the focus on elites is different from our own level of analysis. We focus on those who initiate and drive the creation and dissemination of new ideas and global norms affecting work within organizations. Those among ‘elites’ are generally not doing this; they may be shaping the rules of global and national capitalism by, for example, coordinating with their peers in other countries or ‘exporting’ norms to other countries, but this is more at the macro level. In other words, this body of work does not provide a conception of the environment inhabited by the globalizing actors who are likely to establish norms related to everyday organizational practices.

Bringing Context and Person Back Into Focus

The international management literature contains some important insights on the question we are interested in here—how MNCs transfer their organisational norms of practice across borders and thereby act as conduits for spreading management ideas. We have argued that our focus should be on the people actually involved in creating, disseminating or challenging such global norms, and how they do so within their organisational and institutional contexts. While we consider a broad range of roles that such globalizing actors may inhabit, our primary focus is on those in *managerial* roles. The three strands of the literature we have discussed so far do this only to a

limited extent, prompting us to consider relevant contributions from a wider range of research. To this end, we turn to work related to how actors interact with multiple organisational and institutional domains, and how they navigate these through social identity, power resources and other personal capabilities. Integrating work on these issues allows us to move closer to a better conceptualisation of globalizing actors and, consequently, the globalization of organisational norms including those embedded in management ideas.

MNCs in their Professional and Institutional Context

Researchers within organization studies, and sometimes economic geography, have addressed the ways in which contestation, power and social structures are crucial to how MNCs operate in general and to how novel practices are transferred in particular. One aspect to this work has shown how actors in senior positions create, influence and exploit a homogenised corporate context. For instance, Faulconbridge and Muzio (2012) set out their notion of a ‘transnational sociology of the professions,’ one element of which was the rise of the global professional service firm. In many areas of business services, such firms provide a “vehicle for the sustained interaction between different national varieties of professionalism and the rescaling of the mechanisms of the control of production of and by the producers” (Faulconbridge and Muzio 2012, p.143). The actors driving these developments at firm level interact with ‘supra-national governance actors’ towards further strengthening the ability of those within firms to adopt a common strategy across borders. This could include working with those at EU level on such issues as reciprocal recognition of national qualifications across the Union, allowing those in certain professions to work in other EU member states. Applying these ideas in the context of English law firms in Italy, Faulconbridge and Muzio (2016) argue that following the acquisition of Italian firms, the English parents undertook a policy of ‘field relocation’. This involved a

series of organizational tactics that presented a way of circumventing local institutions that did not fit with the globalized ‘one firm’ model (see also Boussebaa 2015). This indicates that a key skill that globalizing actors need to possess and utilise is the ability to navigate effectively through national and supra-national institutional configurations.

While such research often points to the ways in which organizations and the globalizing actors within them can avoid institutional arrangements, it raises the question to what extent they can actively shape their institutional environment. Seabrooke (2014b) argues that the power of professionals (and professional service firms) to exert influence on transnational policy and institutions can be linked to a micro-level process termed ‘identity switching.’ This refers to actors switching between various network domains they are part of, such as their identity as a member of a corporation, a policy entrepreneur, a social activist or a scientific expert. Within each identity, they can draw on their experience, knowledge and social ties from other identities to bolster their claims on what constitutes appropriate knowledge and meaningful action regarding the issue at stake. This process is referred to as ‘epistemic arbitrage’ and enhances professionals’ authority on knowing an issue well and what should be done about it. Seabrooke (2014a) argues that organizations have demand for epistemic arbitrage, either from managers seeking to control knowledge production or firms seeking to standardize across borders based on expert advice. Epistemic arbitrage enables transnational professionals to build stronger networks in the domain concerned and influence decisions for their strategic advantage. Examples of this behaviour include the ‘revolving door’ between politics, regulators and academics, or in setting emerging agendas such as the ‘Tax Justice Network’ that is influencing EU and G8 tax reform. While much of the work on organizations and professionals affecting their institutional environment has focused on purposive institutional entrepreneurship, more recent research has also considered how day-to-day practices can lead to institutional change. Smets et al (2012)

develop a practice-driven model of institutional change based on their study of English and German lawyers in a newly-created international law firm, who in an effort to integrate their services across countries effected change in conflicting field-level institutional logics. Along similar lines, Henriksen and Seabrooke (2016, p.723) examine how transnational institutions are organized and suggest that transnational organizing occurs through “semi-autonomous interactions between professionals and organizations,” within and between professional and organizational networks. ‘Issue professionals’ move between these two levels of networks, competing and cooperating over control of issues. This work on practice-driven institutional change and issue professionals and their role in shaping global norms provides micro-level granularity to how MNCs incrementally shape their institutional environment—an issue of increasing focus in the institutional change literature (Kern 2016).

The increasing application of institutional approaches to understanding MNCs has also attracted criticism. Kostova et al’s (2008) influential article argues that much of the literature has adopted concepts from neo-institutional theory (Powell and DiMaggio 1991), such as organizational field, isomorphism, legitimacy and decoupling, without critical reflection of their suitability to the MNC context. The special conditions of MNCs—fragmented and potentially conflicting external environments due to operating across borders and complex internal environments due to diverse languages, cultures and power struggles—limit the applicability of neo-institutional concepts (Kostova et al. 2008). Indeed, as an ecological rather than actor-centred approach, neo-institutionalism is unable to adequately deal with power and control-related issues (Ferner and Tempel 2006). Instead, Kostova et al. (2008, p.1001) advocate that concepts from ‘old’ institutionalism could usefully be incorporated and combined with neo-institutional concepts: “Rather than being merely exogenous constraints that organizations have to consider, institutions are considered as enacted and socially constructed shared understandings

and as outcomes of a social process in which the organization and its subunits and actors are actively involved." In other words, they argue for affording MNCs a much more active role in shaping their institutional environment than typical neo-institutionalist approaches allow, shifting more towards agency than structure.

Intra-organisational Dynamics of Idea and Norm Adoption

While a focus on strategizing at the corporate level reveals how firms interact with their environment, it tends to treat firms as reified entities rather than complex constellations of individuals and groups with divergent interests. It therefore needs to be complemented with a recognition of how new ideas are taken up and adapted to the organisational context, allowing for patterns of resistance and deviance at subsidiary or workplace level to these emerging norms.

New management ideas may be taken up by an organisation from a range of sources, including their peers, consultancies and management experts. Research in organisation studies suggests that firms adopt the ideas and behaviours of their peers for the legitimacy created by blending in with others; the status that comes with adopting perceived best-practice; reduction of uncertainty and; the taken-for-granted nature of some behaviours (Powell and DiMaggio 1991). Professional services firms and the consulting services they offer represent a special case of peers—they are MNCs who often need to solve similar organisational problems as other companies, but that are in the business of selling solutions through new management ideas. In other words, they specialise in knowledge transfer among MNCs. Management experts or ‘gurus’ are another source of novel ideas (Groß et al. 2014).

Once new ideas and practices reach an organisation, the question arises how they are taken up and adapted to the context and requirements of the firm. A strand of work rooted largely in Scandinavian institutionalism has examined this issue. Ansari et al (2010) develop a

framework of variation in practices as they spread and are implemented, which takes the fit between practice and adopter based on technical, cultural and political factors into account to predict timing and form of practice adaptation. Similarly, Reay et al (2013) provide further micro-level detail through their model of how ideas are translated into workplace practices through habituation processes that connect micro-level behaviour to organisational-level strategizing. While this line of work offers a useful conception of how ideas and knowledge become translated into corporate practice, it is not focused on the specificities of MNCs—bridging diverse cultural and institutional contexts makes them more prone to internal conflict and resistance to particular new ideas or practices when they clash with local context.

Research within the organisation studies field has examined MNCs more explicitly by studying ways in which local actors use sources of power to contest the control or influence from higher levels of management. This has led some to characterize the MNC as a ‘contested terrain’ (Edwards and Bélanger 2009). Geppert and Dörrenbacher (2014) adopt a socio-political perspective that highlights the career patterns of key actors together with their ambitions, resource mobilization strategies and their political sense-making approaches. They argue that “global ‘best practices’ always need to be locally adapted which involves often lively and dynamic political activities of key actors, making the MNC, once again, a ‘contested terrain’” (Geppert and Dörrenbacher 2014, p.235). This work builds on a tradition of research on strategizing and resistance within MNCs (Ferner et al. 2004), which, however, did not have a specific focus on the career patterns of individuals.

Operating in a different tradition but examining a similar issue, Kostova and Roth (2002) analyse how institutional pressures affect the adoption of organisational practices and to what extent subsidiaries push back against HQ-enforced practices that do not fit the local institutional environment. They argue that subsidiaries find themselves subject to ‘institutional duality,’ i.e.

isomorphic pressures of conforming both to the MNC/HQ as well as the host country. Adopting an active agency perspective, they propose a model that allows for symbolic or ceremonial adoption of the imposed practice which the subsidiary has to adopt in order to comply with the HQ, but sees the practice as incompatible with local demands. Institutions are seen to influence adoption of practices through exerting direct influence (pressuring the subsidiary to adopt a practice irrespective of HQ demands) and through subsidiary employees, who are described as “carriers of institutions.” While Kostova and Roth (2002) thus acknowledge that employees play a role in the adoption of organisational practices, their analysis remains firmly on the sub-unit level. They do not focus on individual actors, their diversity or the variety of roles they might play. However, their work does show how the adoption of organizational practices is institutionally bound, which has important implications for the spread of new management ideas (Almond and Gonzalez Menendez 2014): if ideas are incompatible with the local institutional environment, subsidiaries are likely to resist their adoption or adopt only symbolically (Ferner et al. 2012; Guillén 1994). Indeed, some argue that overt attempts at control can lead to the emergence and use of new ideas in response (Barley and Kunda 2011), suggesting that coercion is unlikely to succeed if globalizing actors seek to create truly global norms.

A related line of research concerns the expectations and perceptions formed in the relationship between HQs and subsidiaries. Kostova and Roth (2003) apply a social capital approach to understanding informal HQ-subsidiary coordination and control mechanisms. Social capital is defined here as “the benefits that social actors derive from their social structures” (Kostova and Roth 2003, p.297). They distinguish between private and public social capital, the former primarily benefitting the individual who possesses it, the latter as a feature of successful communities creating benefits for all members. The required levels and form of social capital vary with the type of interdependence between HQ and subsidiary and thus the model of MNC.

Social capital is seen to be formed through a micro-macro process relying heavily on ‘boundary-spanning individuals’ whose private social capital is transformed into unit-level public social capital. Kostova and Roth (2003, p.304) define a boundary spanner as “an individual employed at a subunit who currently has, or has previously had, direct contact(s) with a headquarters representative (or representatives)”. These are not limited to managers but include anyone with direct HQ contact, such as engineers and salespeople. Boundary spanners form social capital through personal interactions with HQ staff, forming beliefs and attitudes about them and the wider HQ. In turn, these beliefs and attitudes, which could include views on HQ’s willingness to cooperate with or coerce the subsidiary, are shared amongst subsidiary employees and thereby transform the boundary spanner’s private social capital into a public good within the subsidiary. The same processes also occur in the other direction. Boundary spanners therefore play an important role in shaping the nature of the relationship between HQ and subsidiaries, which has implications for the extent to which norm creation and idea diffusion is a uni- or bi-directional process.

While Kostova and Roth (2003) apply the concept of boundary spanners to the between-unit interactions within MNCs, the wider literature on boundary spanners does not have an explicit MNC focus. Here, boundary spanners are conceptualized as individuals whose roles link their organisation to its environment, differentiating between their information processing function (filtering and interpreting information from the external environment) and external representation function (responding to environmental influences by adapting, compromising, or resisting) (Aldrich and Herker 1977). Boundary spanners’ effectiveness has been linked to the extensiveness of their personal networks internally and externally, perceived technical expertise, and interpersonal skills in relating to different stakeholder groups (Tushman and Scanlan 1981). More recent work on boundary spanners has examined their role in shaping the capacity of

organisations to absorb new knowledge (Jones 2006), and the different roles they play in managing and mediating knowledge flowing into the organisation from external management consultancies (Sturdy and Wright 2011).

There is substantial overlap between the concept of boundary spanners in MNCs and that of globalizing actors, but they are not equivalent. If we follow Kostova and Roth's (2003) definition of boundary spanners in MNCs, they are primarily characterised by their day-to-day contact with other constituent parts of the MNC. The defining characteristic of globalizing actors, however, is that they have a role in creating or influencing norms across the MNC. Having day-to-day contact with other subunits may have norm-shaping impact, even if only in subtle ways, but some boundary spanners may lack the power (due to nature of role or lack of social capital) to affect cross-border norms. In other words, boundary spanning individuals are not always globalizing actors. If we take a narrow focus on managers, then it is more likely that boundary spanners are also globalizing actors in our sense, as they will have managerial duties that likely include implementing HQ-mandated policies, or to feed back to HQ from their local operations. Similarly, not all globalizing actors are necessarily boundary spanners in the sense of this literature; managers in the HQ may have no regular contact with subunits, but the ideas, knowledge or norms they create may nevertheless be spread across the organisation through administrative means or at the behest of senior management.

The Role of Individuals in Corporate Decision-making

If individuals play an important role in mediating the relationship between a firm and its environment, and between various constituent parts of the MNC, the wider question emerges how individuals affect corporate decision-making and thus change. The issue selling literature examines how managers attract attention from superiors to influence decisions in their favour.

Issue selling can be defined as “the process by which individuals affect others’ attention to and understanding of the events, developments and trends that have implications for organizational performance” (Dutton et al. 2001, p.716). Drawing on a range of different ‘moves’, players affect top management’s attention and time, shaping, in turn, organizational actions and changes. Dutton and Ashford’s (1993) seminal work theorized three categories of issue selling moves: ‘*packaging*’ refers to relating issues to wider organizational issues, ‘*involvement*’ relates to how issue sellers engage others in their effort, and ‘*process*’ refers to the use of formal procedures and timing of the intervention. Later work (Dutton et al. 2001) analysed these moves’ real-world relevance and efficacy, finding issue selling to be a highly political and commitment-building process. This requires sellers to have deep knowledge of the organization and its norms, social networks to build support and to choose whom to sell to – “a combination of relational, normative, and strategic knowledge” (Dutton et al. 2001, p.730). This also resonates with research on organisational change (e.g. Buchanan and Badham 1999) and work on what might be seen as professional issue sellers – management consultants and their various forms of rhetoric (Sturdy 1997).

Issue selling is dependent on context, i.e. whether issue sellers deem circumstances to be favourable to sell an issue. Dutton et al (1997) show that context is affected positively when top management is open to suggestions, listens and when there is a supportive culture, but affected negatively by concern over negative consequences such as personal image risk, when the firm is downsizing, or when faced with uncertainty. Insider-outsider group dynamics also influence how issue sellers assess the favourability of the organizational context (see also below). Examining selling of gender equity issues, Dutton et al (2002, p.359) found that the willingness of female managers to raise such issues hinged on the exclusivity of the corporate culture, i.e. “the degree to which individuals believe that they are excluded from interacting with a dominant in-group (in

this case, men).” Women are hence unlikely to raise and attempt to sell gender-equality issues when they see the tables as stacked against them. This has important implications for our understanding of the creation and dissemination of new management ideas: members of outsider groups are unlikely to champion ideas and practices that challenge insider-outsider divisions or do not resonate with cultural norms (Guillén 1994).

More recent work on issue selling has sought to apply it to the specific context of MNCs. Ling et al (2005) develop a model in which subsidiary managers seek to steer the attention of top management at HQ towards issues. They argue that the subsidiary managers’ cultural environment shapes the extent to which contextual cues influence their issue selling intention and what issue selling strategies they use. Conroy and Collings (2016) investigate how subsidiaries use different forms of legitimacy to increase positive attention and decrease negative attention from HQs. Seeking attention from HQ is seen as competitive among subsidiaries which thereby gain material resources to boost their performance and future prospects. At the same time, subsidiaries seek to avoid negative attention in the form of direct or indirect interventions that destroy value at the subsidiary level, such as increased monitoring and control, expatriate deployment or mandate removal. Conroy and Collings (2016) argue that subsidiary managers draw on three forms of legitimacy—personal legitimacy of subsidiary managers, consequential legitimacy vis-a-vis other subsidiaries and linkage legitimacy from the subsidiary’s local environment—to reduce the risk of attracting negative HQ attention when seeking positive attention.

We can expect globalizing actors to engage regularly in issue selling behaviour as part of their norm creation and dissemination activities. The literature suggests that these are highly political in nature and subject to organisational and cultural constraints, requiring globalizing actors to draw on their personal networks; social status within the firm; knowledge of the

organisation; and skills in deploying a number of ‘moves’ to successfully sway other decision makers.

Conclusion

By integrating management ideas in the fabric of corporate knowledge and practice, MNCs can play a crucial role in transforming nascent ideas into global organizational norms. The competing pressures to standardize practices as much as possible, while adapting to local differences as much as necessary, is an important way in which MNCs contribute to the diffusion and translation of ideas, knowledge and norms across borders. We argued that we still lack a coherent understanding of the individuals or ‘globalizing actors’ involved in these processes. We conceptualized globalizing actors as individuals within organizations who play a significant role in creating, disseminating or challenging norms of corporate practice at the international level. Our analysis of the existing international management literature shows a range of conceptual resources that are useful in exploring these actors. However, we argued that overall, it has not yet developed a systematic focus on individuals and their complex transnational environments.

Future research therefore needs to develop a sociologically-informed perspective on individuals and their roles in generating, promoting, disseminating and negotiating ideas within the international firm. This should be based on a materialist approach, that is, it needs to analyse what ‘globalizing actors’ actually do, and the multiple contexts within which they operate. In dealing with these contexts, research would also benefit from a more sustained engagement with concepts developed outside the neo-institutionalist frame which has tended to dominate research on policy transfer with MNCs. In particular, dialogue with broader literatures on the creation, ‘cascading’ and eventual possible broad acceptance of norms, and the platforms that individuals and organisations use to promulgate such norms, may be fruitful. This has been developed in the

international relations literature (Finnemore and Sikkink 1998) and also has some parallels with neo-Gramscian approaches (e.g. Levy and Egan 2003) in moving towards combining a treatment of organisational, institutional and ideological pillars of power.

Finally, is it possible to speculate about the substance of ideas which may be strategically selected by corporate actors for internationalisation? The MNCs literature tends to suggest that international ‘norm entrepreneurs’ have often tended to attempt to internationalise ideas originally developed as responses to concerns in dominant countries. Corporate ‘diversity’ is a clear case of this, as has been the internationalisation of ideas about human resource management borrowing from liberal American norms (systematic performance management etc) and also from Japanese norms of production and quality control. At the same time ‘codifiable’ ideas about managerial systems tend to be easier to internationalise than those that are strongly context-dependent. This partially explains why “American” ideas about management have internationalised more easily than, for example, those from economically successful but institutionally dense countries such as Germany. The future of such ideas is obviously uncertain, given current and developing economic, social, political and environmental challenges. However, uncovering the ideas underpinning the models of management of globalising firms from outside the Global North, and how these may challenge existing normative understandings, is a worthy and necessary theoretical endeavour of future actor-centred research within international firms.

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