The Unequal Playing Field

Headquarters’ Attention and Subsidiary Voice in Multinational Corporations

Hammad ul Haq
Attention of top managers has an impact on future direction of an organization according to the attention-based view of the firm. In the context of multinational corporations, headquarters’ attention is likely to influence the actions and behavior of subsidiaries. Thus, in the thesis, I respond to calls for more research on this topic: enhancing the understanding about how a subsidiary’s perception of headquarters’ attention relates to its choice of communication moves when sharing business ideas with headquarters (also known as subsidiary voice). In recent research, subsidiary voice is viewed as a bottom-up tool for subsidiaries to attract headquarters’ attention to issues that they consider important for their local units and the entire organization.

In line with the research purpose, the data were collected at the subsidiary level through a combination of both, survey and interviews. The findings based on empirical data point out that a subsidiary’s perception of headquarters’ attention engagement has a positive impact on its voice. This means that subsidiaries not having regular interaction with headquarters are unable to select communication moves that can attract headquarters’ attention and hence encounter challenges in adopting an initiative-taking approach to gain influence or a central position in the organization. As a result, contrary to the claims put forth in recent research, the thesis findings highlight that subsidiary voice alone is not enough to attract headquarters’ attention. Instead, subsidiaries can only use their voice when they have power (also called weight) to influence headquarters’ attention and decisions.

This gives rise to an unequal playing field because subsidiaries that lack considerable weight are unable to contribute to strategy formulation and future planning done by the headquarters, with regard to their own units and the organization in general. On the contrary, subsidiaries with a considerable weight experience a high degree of attention engagement from the headquarters and thus find it easier to attract headquarters’ attention for their business ideas.

Keywords: attention, communication, issue selling, subsidiary initiatives, multinational corporation, headquarter-subsidiary relationship

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In fond and loving memory of Muhammadi Wazir
(my late maternal grandmother)
List of Papers

This thesis is based on the following papers, which are referred to in the text by their Roman numerals.

I  Haq, H., Blankenburg Holm, D., and Drogendijk, R. Keeping suggestion systems alive: Making top managers responsive to business ideas from employees. Submitted to Creativity and Innovation Management.

A previous version of this article has been accepted as a book chapter:

II  Haq, H. Trapped in a vicious circle: Can low weight subsidiaries get headquarters’ attention? Accepted for publication in Critical Perspectives on International Business.

III Haq, H., Drogendijk, R., and Blankenburg Holm, D. Attention in words, not in deeds: Effects of attention dissonance on headquarter-subsidiary communication in multinational corporations. Accepted for publication in Journal of World Business.

IV  Haq, H., Blankenburg Holm, D., and Drogendijk, R. Headquarters’ attention, subsidiary voice and strategic change in multinational corporations. An earlier version of the paper has been accepted for presentation as a competitive paper at the European International Business Academy Conference 2016 (In preparation for submission to Global Strategy Journal).

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Introduction

Theoretical Background

Headquarters of multinational corporations (MNCs) have been seen in past research as possessing complete information that could enable rational decisions, which are valuable for the whole organization. Consequently, headquarters could be the sole center of innovation and business development in the organization, in addition to planning, coordinating, and generally managing the business activities taking place within the multinational corporation (cf. Hymer, 1970). In this view of the dominating multinational, as presented by Forsgren (2008), subsidiaries were limited to the simple role of absorbing and implementing the directives or commands from the headquarters. In addition, the headquarters’ role was to use subsidiaries to fulfill their own strategic intentions and prevent subsidiaries from exercising any power as individual units or collectively as a group.

The move away from the dominating multinational as outlined by Forsgren (2008) in recent research has seen an increase in the power of subsidiaries and a decline in the total hierarchical authority of the headquarters in multinational corporations. Consequently, subsidiaries have been viewed as important actors within multinational corporations, as they participate in value-adding activities and make beneficial contributions to the entire organization, for example by sharing innovations, best practices, and knowledge within the organization to the benefit of other units (e.g. see Bartlett and Ghoshal, 1989; Hedlund, 1986; Nohria and Ghoshal, 1997). Subsidiaries in multinational corporations are generally located in different countries, each with its own set of resources, capabilities, and responsibilities (Bartlett and Ghoshal, 1989). Hence, it is imperative for multinational corporations to be able to tap into the knowledge found in these various subsidiaries across the world. In addition, MNCs can expand business operations and innovate by recognizing and implementing business ideas originating from these subsidiaries (cf. Doz, Santos, and Williamson, 2001; Kogut and Zander, 1993).

However, with the rising influence of subsidiaries in multinational corporations, international business scholars have also recently begun to question the knowledge and rational decision-making capabilities of headquarters.

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1 Business ideas, business opportunities, and subsidiary initiatives are used interchangeably in the text; these are all viewed in line with the work by Birkinshaw (1997). See section 2.4 of the Kappa for a detailed description.
Denrell, Arvidsson, and Zander (2004) argue that headquarters lack complete knowledge about the business operations and local markets in which their different subsidiaries are located. Ciabuschi, Forsgren, and Martin Martin (2012) went even further to argue that the headquarters not only lack knowledge about their various subsidiaries (and the local contexts in which they operate), but are also unaware of their knowledge limitations. They described the ‘sheer ignorance’ of headquarters – an extreme interpretation of the information processing and knowledge limitations of top managers in relation to bounded rationality (Simon, 1957). In any case, this raises doubts about whether headquarters’ decisions are impartial and balanced in relation to knowledge sourcing and recognizing business ideas. In fact, Monteiro (2015) argues that these decisions are still largely biased by the knowledge and expertise of the headquarters.

Multinational corporations are complex entities: despite the knowledge limitations and decision-making biases, headquarters occupy the best place in the organization for making key decisions. Their superior hierarchical position provides a strategic and operational overview of the entire organization (cf. Foss, 1997). In addition, subsidiaries in multinational corporations generally differ considerably in the degree of autonomy and the power they have to influence the headquarters’ decisions. In light of these variations, Mudambi and Pedersen (2007) even argued that it is impossible for a single established theory to perfectly explain the behavior and actions of all subsidiaries in multinational corporations. Ghoshal (1986) identified three key subsidiary roles: implementer, contributor, and innovator subsidiaries. On the one extreme, implementer subsidiaries still fit the idea of subsidiaries as conceptualized by Hymer, because their role is mainly to act upon directions from the headquarters, while on the other extreme, innovator subsidiaries reflect recent research in international business, because they actively participate in developing new business ideas and sharing knowledge within MNCs. Birkinshaw (1997) has been credited with introducing work on entrepreneurial endeavors undertaken at the subsidiary level within multinational corporations (also known as subsidiary initiatives), but based on his empirical studies, he also acknowledges that very few subsidiaries, or only certain individuals in selected subsidiaries, actually take part in sharing of initiatives (also see Blomkvist, Zander, and Kappen, 2014).

Based on the discussion above, in this thesis, I will use the following image of the multinational corporation: headquarters do not possess absolute hierarchical power and decision-making authority, but they hold primary responsibility for making strategic and key operational decisions for the entire organization. In addition, some subsidiaries in multinational corporations have a considerable degree of autonomy and access to a vast amount of resources, so they can act upon business ideas independently. Despite this, a sizeable number of subsidiaries still require consent and resources from the headquarters to pursue the business ideas they generate at the unit level. In addition, financial
returns of multinational corporations depend on the headquarters’ ability to quickly and effectively respond to business ideas originating from the numerous and diverse subsidiaries in the organization, but cognitive limitations of the headquarters and competition between subsidiaries for headquarters’ resources are the main obstacles (cf. Hansen and Haas, 2001). Consequently, headquarters are likely to ignore some novel and useful business opportunities, which could have proven to be beneficial for the organization. On the other hand, the headquarters can also recognize and act upon some business opportunities that do not yield the desired positive returns to the organization.

Research Gap: Headquarters’ Attention and Subsidiary Voice

In international business literature, subsidiary initiatives refer to business ideas that try to change how the unit or the organization in general operates and are developed solely at the subsidiary level, with no involvement from the headquarters (Birkinshaw, 1997). The subsidiary initiative process can be broken down into three stages: a) identification of the initiative at the subsidiary level, b) gathering support for the initiative within the organization, and c) implementation of the given initiative. Two recent literature reviews of subsidiary initiatives show that little research has been done on how subsidiaries gather support for their initiatives within an organization in order to seek headquarters’ attention and approval for implementation, especially compared to the other two stages (Schmid, Dzedek, and Lehrer, 2014; Strutzenberger and Ambos, 2014). In addition, studying how subsidiaries communicate knowledge or business opportunities with the headquarters “shed[s] some light on a phenomenon which has long been regarded as a black box” (Ambos and Ambos, 2009, p. 9).

The objective of subsidiaries when gathering support for their initiatives is to attract the headquarters’ attention, which is often positively associated with an approval from the headquarters to implement the initiatives. Bouquet and Birkinshaw (2008a) argue that subsidiaries can attract headquarters’ attention either through their weight or through their voice. Weight is the power possessed by subsidiaries based on their position in the organizational network and/or the strategic importance of the local markets in which the units are located. Voice refers to actions taken by the subsidiaries to enhance their reputation and image within the organization, thus improving their network position and gaining influence in the organization. Voice includes an initiative-taking approach2, which specifically relates to the way in which subsidiaries

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2 Voice has two main components: initiative-taking and profile building (Bouquet and Birkinshaw; 2008a).
communicate (or sell) their initiatives in order to attract the headquarters’ attention (Dutton and Ashford, 1993). Bouquet and Birkinshaw (2008a; 2009) state that top-down headquarters’ attention is distributed across subsidiaries based on their weight, while voice is viewed as a bottom-up tool available to the subsidiaries to attract the headquarters’ attention to business ideas or issues they consider strategically important for their own units (or the organization in general), but that are not receiving the necessary attention from the headquarters (Bouquet and Birkinshaw, 2008b; Monteiro, 2015).

A review of the research on subsidiary voice and headquarters’ attention in the context of multinational corporations reveals that few papers have been published on these topics in leading business journals. In addition to outlining how subsidiaries can attract headquarters’ attention (Bouquet and Birkinshaw, 2008a; 2009), the impact of headquarters’ attention on organizational performance was examined by Bouquet, Morrison, and Birkinshaw (2009) and its impact on subsidiary performance was examined by Ambos and Birkinshaw (2010). Apart from this, Monteiro (2015) focused on biases in attention selection, while the impact of subsidiary voice on headquarters’ attention through the use of expatriates was examined by Plourde, Parker and Schaan (2014). In addition, the issue selling framework has been used in the context of headquarter-subsidiary relationships to understand subsidiary voice. In a conceptual paper, Ling, Floyd, and Baldridge (2005) presented the impact of national culture on differences in motivation and selling moves employed by subsidiary managers in multinational corporations. Furthermore, the link between issue selling and subsidiary power has been highlighted in terms of either gaining a better competitive position for subsidiaries or influencing headquarters’ decisions in the context of multinational corporations (Dörrenbächer and Gammelgaard, 2016; Gammelgaard, 2009).

Research Questions

We know from existing research that subsidiary voice is a bottom-up tool that subsidiaries can use to direct the headquarters’ attention to issues that subsidiaries consider important, rather than the headquarters sourcing knowledge and looking out for business ideas that conform to their existing knowledge base and expertise (Bouquet and Birkinshaw, 2008a; Monteiro, 2015). In addition, Bouquet and Birkinshaw (2008b) state that voice is a more effective tool for subsidiaries with less weight in the organization to obtain recognition from the headquarters for business opportunities that they consider beneficial for their own local units (and the whole organization); they can also employ an initiative-taking approach to enhance their image or reputation in the eyes

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3 Communication moves and selling moves are used interchangeably in the text, see section 2.3 of the Kappa for a detailed description.
of the headquarters and thus use it as a means to gain influence in the organization. Given the importance of voice for subsidiaries in gaining recognition for issues (or initiatives) that they consider important, it is fair to question whether all subsidiaries use their voice and convey their messages to the headquarters in the best possible manner. If the answer is no, then what explains the possible differences in the ability of subsidiaries to use their voice?

Ocasio (1997) argues that firm behavior is based on the attention decisions made by top managers, or by the headquarters for the purpose of this thesis. In the context of multinational corporations, previous attention decisions by headquarters are likely to impact the successive behavior of subsidiaries, especially in terms of the business ideas or knowledge they bring to the attention of the headquarters. For instance, headquarters’ attention patterns are likely to signal which subsidiaries or types of initiatives that headquarters consider more important. This also gives the impression that the headquarters is better able to recognize, comprehend, and act upon certain types of initiatives or information conveyed by a specific set of subsidiaries (cf. Monteiro, 2015). Consequently, attention decisions are likely to impact subsidiaries’ motivation to use their voice, because it gives them a sense of their importance or value in the organization (cf. Kim and Mauborgne, 1993).

The impact of attention decisions by the headquarters on the actions or behavior of subsidiaries is underexplored. While conducting a brief literature review of attention, Ocasio (2011) identified the fact that little research has been done on entities or individuals who receive attention from the headquarters or top managers, which he labeled ‘attention carriers’ and which mainly include subsidiaries or employees in an organization. This thesis thus aims to contribute to this research gap by studying subsidiary level perception of headquarters’ attention and its impact on the behavior of subsidiaries, specifically subsidiary voice, which relates to the decisions subsidiaries make regarding communication moves employed for specific initiatives that are shared with the headquarters.

Research Question 1: How does a subsidiary’s perception of headquarters’ attention impact its voice in a multinational corporation?

The main source of competitive advantage for multinational corporations (over domestic companies) is the ability to tap into and benefit from knowledge and business opportunities originating from all the different subsidiaries (and markets) present in the organization (Kogut and Zander, 1993). This means that multinational corporations can only realize the true potential of being present in multiple and diverse markets when the headquarters provide opportunities to subsidiaries to actively participate in sharing knowledge and business ideas within the organization. This is certainly possible when subsidiaries are motivated and have the ability to use their voice to divert
headquarters’ attention towards novel and useful information, but it can be a challenging task. Due to information overload and resource constraints, headquarters cannot provide equal attention to all the different subsidiaries in the multinational corporation and the business ideas they share (cf. Cyert and March, 1963). As a result, the headquarters can only devote their attention to selected information shared by subsidiaries and consequently, some subsidiaries are likely to receive a relatively high level of attention while others are likely to be completely ignored, thus impacting subsidiaries’ motivation to share business ideas in the organization.

Subsidiaries will be motivated to use their voice when they feel that attention selection is unbiased. Hence, on a broader level, organizations need to manage communication systems or structures that address the cognitive limitations of the headquarters, i.e. the way in which the headquarters select and sustain the attention given to different units in the organization. In light of this, another objective of the thesis is to identify key characteristics of communication systems, which minimize the problems of information overload and attention selection bias at the headquarter level. This is based on the notion that by addressing or at least minimizing cognitive limitations, the headquarters is then likely to respond fairly to the information shared by the subsidiaries (Greenberg, 1987; Greenberg, 1990). Consequently, a reduction in the sense of bias in the headquarters’ attention decisions and the perception that it is relatively easy to get a message across to the headquarters will motivate subsidiaries to use their voice more openly.

Research Question 2: How can communication systems be designed to reduce the attention constraints faced by the headquarters in order to encourage subsidiaries in multinational corporations to use their voice?

Research Approach

The data for this thesis were collected and analyzed through a combination of both qualitative (i.e. interviews) and quantitative (i.e. survey) data collection and analysis techniques in order to address the research questions and broad research purpose of the thesis. This methodological approach is generally known as mixed method research (see chapter 4); the common logic behind using this method is to obtain an in-depth and rich understanding of the phenomenon, which is not completely possible through a single method alone (Creswell, 2003). From a theoretical perspective, a combination of established theories and literature streams in international business and strategy research were used for this thesis, which include: attention-based view of the firm (Ocasio, 1997), communication/issue selling (Dutton and Ashford, 1993; Ja- blin, 1979), and subsidiary initiatives (Birkinshaw, 1997) in the context of
multinational corporations. The theoretical framework for the thesis is presented in chapter 2, while chapter 3 focuses on how it is applied to the given research. Finally, this PhD thesis is composed of four different papers; the summary of these papers is presented in chapter 5. In addition, the actual papers and the survey are part of the thesis document.

I opted for a doctoral thesis based on a compilation of papers because in the beginning of the PhD program, I felt that this choice would allow me to publish more easily than a monograph, as I want to stay in academia after obtaining my doctorate degree. As I am writing this towards the end of the PhD program, I believe this approach has also helped me obtain constructive feedback from other experts in the field relatively easily compared to writing a monograph, i.e. by submitting the papers to journals, attending conferences, or simply while presenting the papers at seminars held in the department at the university. This is based on my own sense that it can be difficult to manage to write papers while writing a monograph. The feedback I received when presenting or submitting papers has not only helped me improve the quality of the individual papers, but also assisted me substantially in evolving and refining the main ideas and overall contribution of the thesis. In addition, I have gained confidence through the reassurance that some experts in the field consider this research relevant and interesting. At the same time, the process of receiving feedback has opened my eyes to the pitfalls or drawbacks in my research. This has improved the quality of the thesis and made me more self-assured when discussing it at seminars or in general with other people in academia, as I have become better at talking about potentially negative aspects, or aspects that have not been given due consideration in my research.

It is pertinent to mention at this stage that I was hired as a PhD student in a research project funded by the Jan Wallander and Tom Hedelius Foundation; the project was titled, “The frustration of subsidiary managers: communicating business opportunities from the periphery to headquarters of multinational corporations.” My two doctoral supervisors, Desirée Blankenburg Holm and Rian Drogendijk, were also part of that research project. I was not involved in drafting and submitting the funding application, so inclusion in the research project after receiving funding meant that my broad topic choice in the thesis was based on the overall purpose of the research project. Despite this fact, I carried out the specific conceptual or theoretical formulation of the research focus in the thesis on my own, with valuable assistance from my doctoral supervisors as discussants during the research process and as co-authors of three of the four papers included in the thesis. In addition, we (i.e. my doctoral supervisors and I) jointly collected the data that were used to write the thesis. The details of my role in the collection and analysis of the data for the thesis are outlined in chapter 4.
Theoretical Framework

Headquarter-Subsidiary Relationship

‘Headquarters’ is defined as the group of top managers who are responsible for conducting activities and making decisions for the entire organization, or considerable portions of it (Collis, Young, and Goold, 2007). For the thesis, the definition of headquarters incorporates both corporate and regional headquarters. Two main roles of the headquarters have been identified in recent literature: administrative (or loss preventing) and entrepreneurial (or value-creating) (Chandler, 1991). The administrative role of the headquarters relates to monitoring the financial performance of subsidiaries and ensuring that action is taken whenever necessary to prevent subsidiaries from falling below the required performance standards. The entrepreneurial role relates to the headquarters’ actions that create value for the entire organization; these actions mainly include the creation of new capabilities or the transfer of existing resources within the organization (Foss, 1997).

A subsidiary is any unit that is part, in terms of legal ownership and control, of the multinational corporation, but it lies outside the domain of the headquarters (i.e. does not have any regional management responsibility). In addition, this thesis will not focus solely on subsidiaries that are involved in research and development (R&D) or manufacturing, as has been done in past research, because these subsidiaries have the potential to be actively involved in knowledge transfer or the sharing of business ideas within the organization (e.g. see Blomkvist et al., 2014; Dellestrand and Kappen, 2012). Instead, subsidiaries in this thesis will be classified based on weight or intra-organizational power; thus the main focus will be on: a) low weight subsidiaries (as in paper II), b) subsidiaries undergoing a transition from a low to higher weight in the multinational corporation (as in paper III), and c) high weight subsidiaries (which typically include subsidiaries involved in R&D or manufacturing). Overall, this subsidiary classification offers a comprehensive understanding regarding how different subsidiaries in a multinational corporation vary in their perception of headquarters’ attention and how it impacts their ability to use their voice (as stated in the research question, Bouquet and Birkinshaw, 2008a).

In general, the headquarter-subsidiary relationship can be viewed as a ‘mixed-motive dyad’, meaning that the interests and aspirations of both enti-
ties are usually different from each other (Ghoshal and Nohria, 1989). Subsidiaries want greater autonomy and power to implement business opportunities on their own in order to grow in their local markets; the headquarters, on the other hand, are skeptical of subsidiaries’ opportunism and self-serving behavior, while they are simultaneously concerned with maintaining a competitive advantage and profitability throughout the organization. Despite this fact, both entities are better served by interacting with each other rather than by being independent; for instance, headquarters depend on the local market knowledge possessed by subsidiaries, while the subsidiaries need support and resources (including attention) from the headquarters to implement business opportunities to expand their business operations (Luo, 2005).

In the past, the headquarter-subsidiary relationship was considered hierarchical and research (mostly using agency theory perspective) was almost solely focused on examining the control and co-ordination mechanisms, such as incentive schemes and socialization, to align the interests of the subsidiaries with those of the headquarters (Edstrom and Galbraith, 1977; Jensen and Meckling, 1976). In contrast, current research presents a more complex picture, as multinational corporations are viewed as a collection of diverse headquarter-subsidiary relationships (O’Donnell, 2000). Subsidiaries have varying levels of strategic choices available to them, i.e. the autonomy to make their own decisions and their power to influence the decisions of the headquarters (Ambos and Birkinshaw, 2010; Dörrenbächer and Gammelgaard, 2016). Hence, some subsidiaries in multinational corporations still have a hierarchical relationship with the headquarters, while the relationships of other subsidiaries, especially those with strategic choices and considerable power vis-à-vis the headquarters, cannot be explained through an agency theory perspective alone. This means that the headquarters cannot control certain subsidiaries through conventional control mechanism techniques, as the headquarters depend on these subsidiaries since they have (in most cases) access to critical resources and/or are present in important strategic markets (Mudambi and Pedersen, 2007).

The strength of the headquarter-subsidiary relationship is based on the assessment of the value that can accrue to both entities by interacting with each other (cf. Monteiro, Arvidsson, and Birkinshaw, 2008). For example, subsidiaries that are more dependent on resources from the headquarters will pursue a stronger relationship with the headquarters in order to leverage it when competing with other subsidiaries to obtain the scarce resources of the headquarters. Furthermore, subsidiary managers that share traits or characteristics with the managers at the headquarters are likely to have closer relationships with each other (i.e. homophily: Makela, Kalla, and Piekkari, 2007; McPherson, Smith-Lovin, and Cook, 2001). The extent of homophily in the context of international business research can be expressed in the form of psychic distance, which is the perception subsidiary managers have about their linguistic, social,
and cultural differences (or similarities) in relation to the managers at the headquarters (cf. Johanson and Vahlne, 1977; Sousa and Bradley, 2006).

Attention-Based View of the Firm

The conventional notion of attention is grounded in cognitive psychology research and the concept of bounded rationality. In cognitive psychology, attention basically relates to (the human brain) selecting certain information for further interpretation, while ignoring other information and thus not understanding it in more detail (cf. Posner and Boies, 1971). Attention in the context of an organization refers to the issues (or business ideas, for this thesis) that top managers (including the headquarters) focus on and consider important at the cognitive level; they are unable to pay attention to all the issues in the environment and must therefore be selective (Cyert and March, 1963). In addition, Simon (1957) highlighted that due to cognitive limitations, top managers are unable to properly interpret and comprehend the information that is available to them about the issues and the available solutions on which they choose to focus their attention.

In recent years, with the introduction of the attention-based view of the firm, attention has emerged as a broad construct that includes the “noticing, encoding, interpreting, and focusing of time and effort by organizational decision-makers” (only top managers or headquarters for this thesis) on issues in the environment and the available options for how to address them (Ocasio, 1997, p. 189; Rerup, 2009). The attention-based view of the firm postulates that the behavior of an organization depends on how top managers distribute and sustain their attention towards issues in the environment (Ocasio, 1997). The main objective of any organization is to maintain its competitive advantage and enhance profitability, so top managers must provide attention to all the issues in the environment that they consider as strategically important to the organization (Bouquet and Birkinshaw, 2009; Levy, 2005). Rerup (2009) argues that the challenge for top managers is that while they should sustain attention on strategically important issues, they must also make sure their attention span is diverse and should look out for issues that may gain strategic importance in the future to avoid missing out on any valuable issues due to this narrow focus.

The attention-based view of the firm emphasizes the structural dimension of attention decisions made by top managers, in addition to the cognitive dimension already highlighted by the conventional research on attention. Elsbach, Barr, and Hargadon (2005) argue that any cognitive-level understanding of issues by top managers is based on the social and physical context in which they are present. In line with this thinking, Ocasio (1997) argues that structures that manage the flow of information to top managers and the communication
channels that they participate in impact how top managers distribute and sustain their attention towards issues. Ocasio referred to these structures as procedural and communication channels, which will be discussed in more detail in chapter 3. These channels or structures provide top managers with platforms to not only identify new issues in the environment, but also to help them gauge the strategic importance of these issues (and/or the available solutions) for the organization (Ocasio and Joseph, 2005). For example, a particular solution for addressing an issue will gain importance in the minds of the top managers if it is mentioned on repeated occasions in different meetings and planning reports as the best possible solution for effectively tackling the issue.

In the attention-based view of the firm, Ocasio (1997, p. 188) states that there are “three inter-related premises” (outlined below) that explain the attention decisions of top managers and how they impact the behavior of an organization.

1. Focus of attention: the top managers can only focus their attention on a selected set of issues and available solutions in the environment. The issues (and solutions) they decide to focus on determine the behavior or direction taken by the organization.

2. Situated attention: attention selection depends on the context in which the decision-makers are located. This means that decision-makers’ attention can shift, as they are likely to expose themselves to multiple contexts or situations over a period of time. In an organizational setting, through their participation in procedural and communication channels, decision-makers are likely to shift their attention over time as they gain information about a wide variety of issues facing the organization and interact with multiple employees (or subsidiaries), each with its own set of issues that they consider as important for the organization.

3. Structural distribution of attention: the contexts in which the decision-makers are frequently present is determined broadly by company strategy; specifically, this relates to how “rules, resources, and social relations structure attention in organizations by generating a set of values that order the legitimacy, importance, and relevance of issues and answers” (Ocasio, 1997, p. 196) – thus guiding the decision-makers to situate their attention in certain procedural and communication channels present within the organization, i.e. mainly those perceived to be of greater value to the whole organization (Bouquet and Birkinshaw, 2009).
Issue Selling and Communication

“Issue selling refers to individuals’ behaviors that are directed toward affecting others’ attention to and understanding of issues” (Dutton and Ashford, 1993, p. 398). Research on issue selling has focused on how middle managers (or subsidiary managers), who are not responsible for the strategic decisions of the organization, draw the attention of the top managers (and the headquarters) to certain strategic issues that they consider important – given that attention from top management is a scarce resource – so that middle managers and subsidiary managers can also play a role in determining the future organizational strategy (Cyert and March, 1963; Dutton and Ashford, 1993). Developed by Dutton and Ashford (1993), the issue selling concept builds on theories from the fields of psychology (impression management and upward influence) and sociology (social problem theory). Furthermore, to date, issue selling literature has broadly examined: a) antecedents of selling strategic issues, i.e. what motivates middle managers or subsidiary managers to share important strategic issues with top managers and b) how the issue selling process actually takes place in terms of the selling moves employed by the sellers of strategic issues (Ling et al., 2005).

The decision regarding whether or not to sell strategic issues is based on multiple factors which mainly include the knowledge and network position of the issue sellers, degree of openness and support of the top management towards such behavior, and the overall organizational environment in terms of the organizational culture and/or the rewards associated with sharing business ideas in the organization (e.g. see Dutton, Ashford, O’Neill, Hayes, and Wierba, 1997; Dutton, Ashford, Lawrence, and Miner-Rubino, 2002). After the decision to share a particular strategic issue is made, the issue sellers must choose specific selling moves that can attract the top managers’ attention. There are multiple types of selling moves that can be employed by the issue sellers. Past empirical research has mainly focused on five dimensions of selling moves: framing, influence, formality, preparation and timing, and the choice of selling channels (Dutton, Ashford, Lawrence, and O’Neill, 2001; Piderit and Ashford, 2003). Framing relates to the presentation of the strategic issues to top managers, while influence refers to the decision by the issue sellers about the extent and nature of the involvement of other members in the organization for selling the strategic issues or going alone in the selling process. Formality is the degree of conformance to the official norms of the organization, while preparation and timing refer to when the strategic issues are initially shared with the top managers, the frequency with which they are discussed with the top managers after initially being shared, and the amount of relevant information about the initiatives collected by the issue sellers prior to engaging in the selling process (Dutton et al., 2001; Ling et al., 2005; Mohr and Nevin, 1990). Finally, choice of selling channels pertains to the communication mediums (such as face-to-
face meeting, telephone, and e-mail) used by the issue sellers in the selling process. Daft and Lengel (1984; 1986) argue that each communication medium has a different level of richness, thus impacting the level of understanding of the message by the receiving entity. Face-to-face meetings are the richest communication medium: the receivers can easily understand the message due to the combination of visual and audio cues available to them.

Communication is defined as an action oriented two-way exchange of information between the entities involved in the communication process (Kalla, 2005). Though the concept dates back to Aristotle, contemporary communication research can be divided into two streams. On the one hand, the linear transmission model of communication is sender-oriented and assumes the receiver to be a passive actor in the process, where any misunderstandings are caused by noise in the transmission process (Shannon, 1948). This perspective has strong roots in the engineering sciences. The other stream of communication research focuses on the reception of the message and the possibility that the same message can be interpreted in multiple ways by different receivers (Jakobson, 1960). According to this perspective, the sender has to frame and design the message in such a way that persuades the receiver to interpret it in line with the aspirations of the sender (upon which the idea of issue selling is founded), or they can jointly make sense of the message through the two-way exchange of information between the sender and (initial) receiver involved in the communication process.

Similar to selling moves as discussed earlier, communication is also a broad and multi-dimensional concept. The dimensions of communication and selling moves are almost identical, i.e. frequency, framing, communication channels, and formality (Ghoshal, Korine, and Szulanski, 1994; Jablin, 1979; Mohr and Nevin, 1990). The only notable exception is direction or feedback from the receiving entity (i.e. top managers for this thesis), which can simply be defined as the exchange of information that takes place between the entities involved in the communication process after the initial sharing of information from the sender (Cusella, 1987). On the whole, communication is a broader and a more comprehensive concept than issue selling; there are also significant parallels in the research done in the fields of issue selling and communication. Hence, I can postulate that issue selling is the subset of communication for the purpose of this thesis. The similarities and differences between communication and issue selling are presented in Table 1.
Table 1. Comparison between Communication and Issue Selling

<table>
<thead>
<tr>
<th>Application</th>
<th>Communication</th>
<th>Issue Selling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application</td>
<td>Broad and multi-disciplinary concept developed in engineering sciences (Shannon, 1948) and imported to the context of business management</td>
<td>Developed (Dutton and Ashford, 1993) and applied solely to the domain of business management, mainly in the fields of strategic management and organizational behavior</td>
</tr>
<tr>
<td>Objective</td>
<td>Influence headquarters’ decisions through multiple means (e.g. negotiated jointly by sender and receiver, sender-driven)</td>
<td>Influence headquarters’ attention and decisions through only sender-driven messages (assumes an active role of the receiver in interpreting the message)</td>
</tr>
<tr>
<td>Direction of Message</td>
<td>Bi-directional (includes feedback from headquarters)</td>
<td>Unidirectional; focused solely on examining motivation and selling moves employed by the sender</td>
</tr>
<tr>
<td>Connection to Attention</td>
<td>Not explicitly discussed; focus has mainly been on investigating how the original message of the sender gets conveyed and understood by the receiver</td>
<td>Attention of top managers is central to issue selling; sender has to adopt suitable selling moves that are able to attract top managers’ attention as it is a scarce resource</td>
</tr>
<tr>
<td>Characteristics</td>
<td>Frequency, formality, communication medium, framing, and feedback</td>
<td>Framing, influence, selling channel, preparation and timing, and formality</td>
</tr>
</tbody>
</table>

Subsidiary Initiatives

Subsidiary initiative is defined as a “discrete, proactive undertaking that advances a new way for the corporation to use or expand its resources” (Birkinshaw, 1997, p. 207). It specifically focuses on entrepreneurial endeavors that are undertaken by the subsidiaries (with no or minimal assistance from the headquarters) in order to change or enhance their influence in the organization (Verbake, Chrisman, and Yuan, 2007). The subsidiary initiative process does not include the actual implementation of these initiatives. Instead, the process commences with the identification of opportunities at the subsidiary level and concludes with the decision and granting of resources by the headquarters if required (Birkinshaw, 1997; Schmid et al., 2014). In addition, for the thesis, I position the concept of subsidiary initiatives in line with business opportuni-
ties, which are generally defined as the “situations in which new goods, services, raw materials, markets, and organizing methods can be introduced through the formation of new means, ends, or means-ends relationships” (Eckhardt and Shane, 2003, p. 336).

There are multiple types or classifications of subsidiary initiatives. A common distinction is made between internal and external subsidiary initiatives: internal subsidiary initiatives are developed within the domain of the organization and generally relate to existing organizational resources and structures, while external subsidiary initiatives are opportunities present outside the boundaries of the organization and hence relate mainly to acquisitions or the introduction of new products (Birkinshaw and Ridderstråle, 1999; Williams and Lee, 2011). Birkinshaw (1997) further divided external subsidiary initiatives as being focused either on the local market or the global market. Another common way to classify subsidiary initiatives is based on the impact of subsidiary initiatives on the existing business operations, mandates, and/or roles of the subsidiaries. Delany (2000)\(^4\) makes a distinction between subsidiary initiatives as being either domain developing or domain consolidating: domain developing subsidiary initiatives are novel, while domain consolidating subsidiary initiatives are similar in relation to the existing business operations, mandates, or roles of the subsidiaries. On a similar note, Verbeke, Chrisman, and Yuan (2007) distinguish between renewal and venturing in terms of classifying subsidiary initiatives. Renewal oriented initiatives only impact the existing business operations of the subsidiaries, whereas restructuring ones give rise to new business operations.

Subsidiaries are embedded in both their own internal corporate network and in external networks, which include suppliers, customers, and competitors primarily in their own local markets. Being dual embedded means that subsidiaries have different motivations for actively engaging in the sharing of subsidiary initiatives in the multinational corporation. On the one hand, subsidiaries scan and leverage the knowledge available to them through their external networks to identify new business opportunities, which they implement using resources found internally, provided by the headquarters, or using external sources. The aim is to help the subsidiaries to better serve local customers, thus perform well and expand business operations in their local markets (Andersson, Blankenburg Holm, and Johanson, 2005). On the other hand, the goal behind actively participating in sharing subsidiary initiatives within the organization is to gain attention, approval, and resources from the headquarters if necessary to implement the initiatives. In addition, the initiative-taking approach is used to enhance reputation and gain recognition from the headquarters and other key subsidiaries within the organization. Hence, subsidiary initiatives can be used as a possible means through which subsidiaries can gain

\(^4\) Delany (2000) also identified subsidiary initiatives as being domain defending, but for this thesis, I only focus on domain consolidating and domain developing initiatives.
influence in the form of bargaining power and evolve within the organization by taking on new mandates or roles (see Dörrenbächer and Geppert, 2009; Sargent and Mathews, 2006; Williams and Lee, 2011).

In a similar vein, Bouquet and Birkinshaw (2008a; 2008b) classified the initiative-taking approach as a part of subsidiary voice, highlighting its important role in attracting headquarters’ attention and using it as a means to enhance subsidiary weight in the organization. Ambos, Andersson, and Birkinshaw (2010) argue that no benefits can accrue to the subsidiaries if they are unable to attract the headquarters’ attention to the initiatives being communicated and obtain approval to implement the initiatives at the subsidiary level. Past research has shown that successful implementation of subsidiary initiatives has actually reaped numerous benefits at both the subsidiary and organizational levels. Ambos and Birkinshaw (2010) show that financial performance at the subsidiary level improves as a result of implementing subsidiary initiatives, in addition to having access to greater resources and capabilities, gaining mandates, and taking on more value-adding roles in the organization (Birkinshaw and Hood, 1998; Delany, 2000; Sargent and Mathews, 2006). Consequently, this has a positive impact on the sales revenue and profits of the multinational corporation as a whole: active and open sharing of subsidiary initiatives and knowledge in general within the organization can contribute to learning and better decision-making at the headquarters (Birkinshaw, 1997; 2000; Kogut and Zander, 1993). On the downside, subsidiaries that actively adopt an initiative-taking approach can gain undue power, which they can leverage to engage in empire-building and wasting headquarters’ attention by directing it towards business opportunities that maximize the self-interests of the subsidiary managers rather than providing value to the organization (Birkinshaw, 1998; Mudambi and Navarra, 2004).
Perception of Headquarters’ Attention and Subsidiary Voice

This chapter outlines the connection between subsidiary level perception of headquarters’ attention and subsidiary voice, which is the main research focus of the thesis. The purpose of this chapter is to show how the theories outlined in the previous chapter apply to the research being conducted in the thesis (also see Figure 1), as well as to provide an overall theoretical picture for the discussions presented in the four papers included in the thesis.

Communication Moves

When selecting communication moves, the main aim of a subsidiary is to direct the headquarters’ attention to information or business ideas that the subsidiary considers beneficial for its own unit (and the organization in general). Chapter 2 outlined five main dimensions of communication moves: framing, involvement, formality, preparation and timing, and choice of selling channels. Communication moves refers to the choices a subsidiary makes on each of these dimensions when deciding on how to communicate a specific business opportunity to the headquarters. Subsidiaries normally make decisions on communication moves, keeping in mind that a set of these five dimensions of communication moves represent the complete package in which the message is conveyed to the headquarters, thus influencing how a business opportunity is interpreted and understood by the headquarters (Ghoshal et al., 1994).

It is also pertinent to mention that there is no single perfect set of communication moves that a subsidiary can employ when sharing a given business opportunity with the headquarters; this decision depends on the specific context, based mainly on the characteristics of the subsidiary and the nature of the business opportunity being communicated.

Subsidiaries differ in the amount of latitude available to them when determining the communication moves to employ for a specific business opportunity. For instance, subsidiaries that do not regularly interact with the headquarters have less latitude when deciding on communication moves: they cannot openly communicate through face-to-face meetings or informally with the headquarters and find it challenging to break away from formal communication norms in the organization. As a result, these subsidiaries will be forced to
use formal modes of communication in any scenario irrespective of the nature of business opportunity being communicated. Subsidiaries with greater latitude are better able to tailor their communication moves to the requirements of a given business opportunity, thus increasing the probability of attracting the headquarters’ attention and obtaining an approval to implement the proposed opportunity. On the other hand, Birkinshaw and Ridderstråle (1999) argue that the nature of subsidiary initiatives impacts the choice of communication moves for subsidiaries. One such example is that internal subsidiary initiatives require more lobbying and persistent selling from the subsidiaries compared to external subsidiary initiatives, primarily because internal subsidiary initiatives are faced with greater competition and resistance from other subsidiaries in the organization.

Dependence on and Ability to use Voice

The latitude available to a subsidiary and specific communication moves are based largely on the subsidiary’s dependence on and ability to use voice. Subsidiaries can use either their weight or voice alone, or a combination of both of these factors to attract headquarters’ attention, as pointed out by Bouquet and Birkinshaw (2008a). Dependence on voice captures the extent to which a particular subsidiary relies on voice to attract headquarters’ attention; for example, subsidiaries that do not have considerable weight in the organization are heavily reliant on their voice for this purpose (Bouquet and Birkinshaw, 2008b). Furthermore, the ability of subsidiaries to use voice is related to the effectiveness with which they use it, which is basically gauged by the probability of attracting headquarters’ attention through the communication moves chosen by subsidiaries for specific business opportunities. For example, Mahnke, Venzin, and Zahra (2007) argue that subsidiaries facing high communication uncertainty are unlikely to effectively use their voice, as they are unable to choose communication moves that can attract headquarters’ attention. In light of established literature, subsidiaries’ dependence on and ability to use voice are based on two main factors, which are: a) subsidiary weight and b) contextual knowledge possessed by subsidiaries regarding the headquarters and organization in general (Dörrenbächer and Gammelgaard, 2016; Dutton et al., 2001).

Subsidiary Weight

Subsidiary weight is the power a subsidiary has in the multinational corporation; Bouquet and Birkinshaw (2008a) argue that subsidiary weight is based on two key factors: a) strategic significance of the local market in which a subsidiary is located and b) the position of a subsidiary in the organizational network. Subsidiaries can also have weight due to their access to (or control
of) valuable resources in the organization and the mandates (or roles) assigned to them by the headquarters (cf. Forsgren, Holm, and Johanson, 2005; Pfeffer and Salancik, 1978). Subsidiary weight is based on the perception or assessment done by the headquarters, so given the cognitive and knowledge limitations of the headquarters, it is possible for subsidiaries to have a higher weight in certain circumstances due to a strong personal relationship with or close proximity to the headquarters, both in terms of cultural and geographic distance, despite not necessarily possessing valuable resources or having a favorable network position (Denrell et al., 2004; Monteiro et al., 2008).

In multinational corporations, headquarters have the hierarchical power necessary to make important operational and strategic decisions, while subsidiaries are generally viewed as low power actors in multinational corporations. Despite this, weight can enable subsidiaries to reduce the power asymmetry in their relationship with the headquarters: subsidiaries can use their weight to influence headquarters’ attention and decisions (Bouquet and Birkinshaw, 2008a; Dörrenbächer and Gammelgaard, 2016). They can also use their weight to make it difficult for the headquarters to take actions that could destroy value at the subsidiary level, or, similarly, use it to better defend themselves from such negative actions (Erkema and Vaara, 2010; Mudambi, 2011).

Headquarters’ attention is distributed and sustained on the basis of subsidiary weight, i.e. subsidiaries with greater weight receive a greater amount (both in terms of quantity and quality) of attention (Bouquet and Birkinshaw, 2009). More attention from the headquarters provides subsidiaries with the contextual knowledge (which will be discussed in a later section) necessary to make the best possible communication decisions for a specific business opportunity. This implies that weight enables subsidiaries to use their voice effectively not only by giving them more latitude when choosing communication moves, but also through an awareness of which communication moves are more suitable for attracting headquarters’ attention. Despite this, subsidiaries with a high weight are not entirely dependent on voice to attract headquarters’ attention. Instead, they can almost solely use their weight to attract headquarters’ attention; subsidiaries with considerable weight “create some sort of headquarters dependency”, hence have “to engage in little or no issue selling to get approval for their initiatives” (Dörrenbächer and Gammelgaard, 2016, p. 17).

Contextual Knowledge

Contextual knowledge relates to the broad understanding at the subsidiary level about how the issue selling process takes place in the context of a specific organization; it includes three different but related types of knowledge: relational, normative, and strategic knowledge (Dutton et al., 2001). Relational knowledge primarily relates to the information available to a subsidiary about
the key decision-makers within the organization; broadly, it includes the understanding the “actors have for each other, of each other’s intentions, stakes, private goals and territories” (Baumard, 1999, p. 22). Hence, relational knowledge enables subsidiaries to employ communication moves that they know work well in attracting headquarters’ attention. In addition, relational knowledge assists subsidiaries in making involvement decisions, as they become aware of which units to involve and the techniques they must employ in order to bring them on board.

Awareness of the organizational norms and communication moves considered acceptable in the organization is referred to as normative knowledge (Dutton and Ashford, 1993; Dutton et al., 2001). Normative knowledge is acquired mainly through experiential learning (Kolb, 1984): subsidiaries that have considerable experience with successfully communicating business opportunities acquaint themselves with a superior understanding of which communication moves are considered suitable in the organizational setting (Howard-Grenville, 2007). Thus, over time, a subsidiary can leverage normative knowledge to make communication move decisions that conform to the accepted practices and norms of communicating within the organization, and can thus potentially easily attract the headquarters’ attention.

Finally, strategic knowledge relates to an awareness of the company goals, vision, and overall direction of the organization (Dutton et al., 2001). Framing subsidiary initiatives in accordance with the overall strategy of the organization is of primary importance for obtaining attention and approval from the headquarters (Bansal, 2003; Dutton and Ashford, 1993). Strategic knowledge allows the subsidiaries to gain a better understanding of how to align the business opportunities being communicated to the headquarters with the strategic orientation of the organization in general, thus increasing the likelihood of them being noticed and acted upon by the headquarters. Subsidiaries can gain strategic knowledge when they participate in meetings where strategy discussions take place and decisions are taken, or by having regular communication with the headquarters, especially through face-to-face meetings (cf. Birkinshaw, Bouquet, and Ambos, 2007; Ocasio and Joseph, 2005).

Overall, there is no doubt that contextual knowledge provides subsidiaries with a better ability to use their voice to attract headquarters’ attention, as it reduces the uncertainty faced by subsidiaries in the process of getting their business opportunities recognized by the headquarters (Mahnke et al., 2007). Given the heterogeneity between the subsidiaries in a multinational corporation, it is impossible to assume that all subsidiaries will possess sufficient levels of the contextual knowledge necessary to effectively use their voice – thus implying that subsidiaries with considerable contextual knowledge will have an advantage when communicating business opportunities with the headquarters. The question then is: which subsidiaries possess the necessary levels of contextual knowledge? In light of existing literature, it can be argued that subsidiaries with a considerable weight will possess sufficient contextual
knowledge to effectively use their voice, as they get to regularly communicate and share information with the headquarters. This puts subsidiaries without considerable weight in the organization at a serious disadvantage, as they are almost solely reliant on their voice to attract attention for the business opportunities they communicate with the headquarters (Bouquet and Birkinshaw, 2008b).

Procedural and Communication Channels

“Procedural and communication channels are the formal and informal concrete activities, interactions, and communications set up by the firm to induce organizational decision-makers to action on a selected set of issues” (Ocasio, 1997, p. 194). Procedural and communication channels include formal and informal meetings in which top managers are present, such as board meetings, strategic planning meetings, performance review meetings, or simple brainstorming sessions. These channels also include written forms of information mainly including procedural protocols and reports, such as annual reports, business plans, customer surveys, and personnel evaluations (Ocasio and Josep, 2005). In large multinational corporations, there are numerous channels available for the top managers; these diverse channels enable top managers to perform their actions and situate attention across different contexts in order to obtain information about the numerous issues and available solutions for tackling them.

These procedural and communication channels provide a platform for the subsidiaries to interact and communicate with the headquarters. Subsidiaries that actively participate in these channels get to be regularly present in different company meetings especially in those where strategic decisions are made, the subsidiary managers can often have informal face-to-face conversations with managers at the headquarters, and the members of the headquarters (like the CEO) are likely to frequently visit these subsidiaries. In addition, subsidiaries can use these channels to regularly share information with the headquarters about their local business operations and the markets in which the units are located, thus contributing to the knowledge possessed by the headquarters about the subsidiaries that actively participate in these channels. Hence, frequent and direct communication and information sharing with the headquarters enables subsidiaries to gain contextual knowledge about the headquarters and the organization in general. Overall, contextual knowledge of subsidiaries is positively related to their level of participation in procedural and communication channels.

Stinchcombe (1968) argues that the spatial, temporal, and procedural dimensions of these channels impact the way in which top managers recognize and gauge the importance of issues and their available solutions. First, the spatial dimension relates to the mode in which the issues are presented to the top
managers, for instance in a meeting or through a planning document. Second, the temporal dimension refers to when and for how long the top managers are exposed to a specific issue – basically, from the time they are initially noticed until the top managers must make a decision about how to tackle the issue. Third, the procedural dimension refers to the specific technique in which the attention of top managers is directed toward specific issues and their available solutions. For example, top managers will view an issue as important if it is at the top of a meeting agenda or if the meeting participants are supposed to vote on how to deal with it. Overall, this means that these procedural and communication channels provide a space for subsidiaries to convey their initiatives to the headquarters, which is likely to increase the probability of attracting the headquarters’ attention, especially when the subsidiaries share initiatives at formal company meetings or during personal face-to-face meetings with the headquarters.

Perception of Headquarters’ Attention

Ocasio (2011) identified three different types of attention: attention perspective, attention engagement, and attention selection. Subsidiaries form perceptions about these three types of attention, as they exist at different levels: attention perspective refers to the strategic level; attention engagement refers to the operational dimension (i.e. the routine activities of top managers), and attention selection refers to the decision made by the top managers (or headquarters) to devote their attention to specific issues or business opportunities. These three types of attention will be discussed in the following sub-sections; it is also worth mentioning that these three types of attention have many similarities to other attention concepts used in academic literature; see Table 2 for more details.
Table 2. Comparison between Attention Concepts

<table>
<thead>
<tr>
<th>Types of Attention</th>
<th>Comparable Concepts (in Attention Research)</th>
</tr>
</thead>
</table>
| **Attention Perspective** | *Cognitive attention:* The issues that top managers (or headquarters) view as important based on their cognitive knowledge (cf. Posner and Boies, 1971)  
*Visible attention:* Recognition given to the subsidiaries by the headquarters through the external modes of communication (e.g. annual reports) used for conveying information about strategy, future planning, and performance to shareholders (Bouquet and Birkinshaw, 2008a)  
*Relative attention:* Assessment of a subsidiary about its strategic importance in comparison to other subsidiaries in the MNC, based on the “recognition and credit” they receive from the headquarters (Bouquet and Birkinshaw, 2008a) |
| **Attention Engagement** | *Structural attention:* The issues that top managers (or headquarters) consider important based on their cognitive knowledge, which is shaped by the structures through which they obtain information and is thus closely associated with the concept of situated attention (Ocasio, 1997)  
*Supportive attention:* Resources provided by the headquarters to create value for the subsidiaries; also having knowledge of the best practices, employees, and technologies possessed by the subsidiaries. This enables the headquarters to identify and act upon business opportunities in order for the subsidiaries to develop and expand in their own local markets (Bouquet and Birkinshaw, 2008b)  
*Attention intensity:* Time, effort, and energy exerted by top managers (or headquarters) to search and evaluate the salience of issues (Kahneman, 1973) |
| **Attention Selection** | *Focus of attention:* Decision by top managers (or headquarters) to devote their attention to a particular set of issues (or business opportunities for this thesis) (Kahneman, 1973; Ocasio, 1997) |

**Perception of Attention Selection**

Attention selection refers to the specific issues on which top managers decide to focus: top managers must selectively devote their attention to certain issues, typically at the expense of other issues (Ocasio, 1997). Attention selection is generally an outcome of the interplay between attention perspective and attention engagement; in normal scenarios, all three of these types of attention are aligned with each other (Elsbach et al., 2005). Hence, subsidiaries use their perception of the headquarters’ attention selection to make assumptions about the other two types of attention. Kim and Mauborgne (1993) found that sub-
subsidiaries in multinational corporations will comply with the headquarters’ strategic decisions mainly when the subsidiaries perceive that the process through which these decisions are made is fair and just. In a similar vein, subsidiaries interpret and engage in sensemaking of headquarters’ attention decisions; hence, perception about attention selection is linked to a subsidiary’s motivation for sharing business opportunities or generally communicating other information with the headquarters through the procedural and communication channels found in the organization (which will be discussed further in the following sub-sections).

Perception of Attention Perspective

Ocasio (2011) introduced the notion of attention perspective in order to acknowledge the cognitive dimension of attention without linking it with the structural aspects presented originally in the attention-based view of the firm (Ocasio, 1997). Attention perspective is generally aligned with the corporate strategy of the organization, providing top managers with an overall direction for how they should direct attention towards different issues in the environment (cf. Mintzberg, 1987). It basically relates to the headquarters’ cognitive assessment of how they should distribute and sustain their attention on different subsidiaries in the organization and the business opportunities that are shared with them, or essentially, which subsidiaries (and business opportunities) the headquarters should prioritize when searching and identifying information through procedural and communication channels depending on their perceived value to the organization. Attention perspective hinges on the existing cognitive knowledge of top managers based on past experiences and/or evaluations of the future prospects of the organization (Gavetti and Levinthal, 2000).

Subsidiaries can gauge their strategic importance in the organization through their perception of the attention perspective of the headquarters. Subsidiaries can obtain this information via the mediums that organizations use to communicate company strategy to employees of the organization (e.g. newsletters, CEO podcasts) and external shareholders (e.g. annual reports), especially when these subsidiaries are not directly part of the strategy formulation (D’Aveni and MacMillan, 1990; Plourde et al., 2014). An assessment of strategic importance is likely to be tied to a subsidiary’s motivation to communicate with the headquarters and participate generally in the procedural and communication channels in an organization. For example, subsidiaries that feel they lack strategic importance (based on their perception of attention perspective) would hesitate to use the communication channels to share their initiatives with the headquarters, as they would think that their voice would be unable to attract the headquarters’ attention (cf. Morrison, 2014).
Perception of Attention Engagement

Attention engagement is defined as the “process of intentional, sustained allocation of cognitive resources to guide problem solving, planning, sensemaking, and decision making” (Ocasio, 2011, p. 1288). It relates to the actual time, effort, and energy exerted by top managers to obtain information, evaluate, and prepare responses to different issues facing the organization (Ocasio, 1997). Consistent with the attention-based view of the firm, attention engagement is based on the notion that cognitive knowledge of the headquarters is linked with the procedural and communication channels in the organization, in contrast to the attention perspective based solely on attention decisions at the cognitive level. In the context of multinational corporations, the attention engagement of headquarters relates to their participation in the channels in which the subsidiaries are also present in order to obtain knowledge about the different subsidiaries in the organization, in addition to recognizing and evaluating the feasibility or value of the business opportunities being shared with them.

Ocasio (2011) asserts that attention engagement has two important supporting components: vigilance and executive attention. Vigilance (similar to attention stability, Rerup, 2009) enables top managers to sustain their attention on a particular stimulus (or subsidiaries, for this thesis) over time without any interruption. Executive attention allows top managers the flexibility to shift their attention across different stimuli, thus providing them with the opportunity to devote their attention to a particular stimulus when necessary and move away from it when other stimuli demand more attention. It may prove difficult to balance both vigilance and executive attention, but if managed properly, this can address the challenge of ensuring stability and diversity of attention raised by Rerup (2009). The headquarters can thus use executive attention to explore business ideas from subsidiaries which are generally deprived of their sustained attention while exploiting (in terms of acting upon) business ideas through attention vigilance from subsidiaries to which they provide more sustained attention (cf. March, 1991).

Subsidiary level perception of headquarters’ attention engagement can give subsidiaries a sense of how the headquarters act upon their strategic intentions, as this mainly relates to how the subsidiaries feel about a) their participation in the communication and procedural channels within the organization and b) knowledge possessed by the headquarters about their specific units and the markets in which the subsidiaries are located (cf. Ocasio, 2011). A subsidiary’s perception of attention engagement acts not only as motivating factor, but also moderates the level of participation of the subsidiaries in the procedural and communication channels. For example, a positive perception of the headquarters’ attention engagement is likely to equip a subsidiary with the ability to actively participate in the communication channels in the organization. In addition, subsidiaries that regularly receive visits from the CEO or
other managers at the headquarters are more likely to use face-to-face meetings to communicate their business opportunities, or they will feel confident about communicating informally with the headquarters based on personal relationships that they have developed over time (Bouquet et al., 2009; Ocasio and Joseph, 2005).
Figure 1. Subsidiary Perception of Headquarters’ Attention and Subsidiary Voice

- Communication moves for a specific business opportunity to attract HQ attention
- Dependence on and ability to effectively use voice
- Contextual knowledge
- Subsidiary participation in procedural and communication channels
- Perception of HQ attention perspective
- Perception of HQ attention engagement
- Perception of HQ attention selection
- Subsidiary weight
Data and Method

Research Context

The Multinational Corporation

Data collection for this thesis was conducted in multinational corporations: organizations with business operations in two or more countries (including the home market) (Hill, 2005). The obvious key difference between multinational corporations and purely domestic companies is a presence in multiple countries. Multinational corporations have subsidiaries in various parts of the world, which are at different geographic, cultural and linguistic distances from the headquarters (Ambos and Ambos, 2009). Subsidiaries located within a multinational corporation also have varying sets of competencies, resources, and business functions. Consequently, the scale and diversity of the subsidiaries in multinational corporations (compared to purely domestic companies) augments the challenges faced by the headquarters when trying to provide attention to all subsidiaries in an equitable way (cf. Levy, 2005).

Furthermore, communication problems are often associated with subsidiaries being at a distance from the headquarters. Geographic distance makes it difficult for subsidiaries to regularly communicate face-to-face with the headquarters, so they must rely more on less rich mediums of communication, like telephone and e-mail. This increases the risk of misunderstandings on either side, which is further augmented by the cultural and linguistic distance between the subsidiaries and headquarters (Bhagat, Keida, Harveston, and Triandis, 2002; Daft and Lengel, 1984). Headquarter-subsidiary communication takes place on a variety of issues, including the issue that subsidiaries must obtain approval from the headquarters to implement business opportunities situated mostly in their own local markets. In such scenarios, subsidiaries are faced with the challenge of choosing the best possible communication moves in order to attract headquarters’ attention (Mahnke et al., 2007). Hence, based on the combination of challenges related to headquarters’ attention and the communication problems faced by subsidiaries, multinational corporations comprise a more interesting empirical setting for this research compared to purely domestic companies (cf. Roth and Kostova, 2003).
Subsidiary Focus

Data were collected primarily at the subsidiary level, which is thus the unit of observation for this thesis, except for the single case study of the Idea Box at Handelsbanken (also focused on research question 2 of the thesis). The other parts of the data collection process, emphasized gauging the subsidiary level perception of headquarters’ attention and the communication process of business opportunities with the headquarters (in line with research question 1 of the thesis). As mentioned in the introduction, the choice to focus on subsidiaries is based on the observation by Ocasio (2011) that little research has been done on how the headquarters’ attention to subsidiaries impacts their behavior and actions. In addition to this research gap, solely studying subsidiaries helps improve our understanding of how the subsidiaries formulate their perception of headquarters’ attention and make decisions about communicating business opportunities by making sense of small cues they obtain from headquarters (especially in cases where there is considerable information asymmetry between the headquarters and subsidiaries), such as information conveyed in annual reports or decisions made by the headquarters about specific business opportunities communicated to the headquarters in the past (cf. Weick, Sutcliffe, and Obstfeld, 2005).

The main respondents for this thesis were the top managers of subsidiaries, i.e. the individual with the highest hierarchical position in the subsidiary or with primary responsibility for managing the business operations of a unit in a particular country. Data for this study were collected from multinational corporations with their headquarters located in Sweden. In Swedish multinational corporations, the top managers at the subsidiary level are commonly known as: managing director, country manager, administrative director, CEO or president (based on data collected from companies included in the survey). The choice of main respondents was based on the notion that a large share of business opportunities developed in a subsidiary should go through the subsidiary’s top manager, either as the main person communicating it or involved in the communication with other members of the unit. However, when they are not directly involved in the communication process, their position within the subsidiary at least enables them to be aware of such activities taking place within the unit. This was also confirmed by the case study data collected for this thesis, in which country managers were involved in some capacity with developing and communicating business opportunities with the headquarters. This is especially true for small or medium-sized subsidiaries where the subsidiary top managers assume greater responsibilities and authority, whereas in larger subsidiaries, it can be argued that their presence is more symbolic, as the business area or functional managers are more dominant (Birkinshaw, 1995).
Sequential Mixed Method Research

Mixed method research is an emerging research methodology that “combines elements of qualitative and quantitative research approaches (e.g., use of qualitative and quantitative viewpoints, data collection, analysis, inference techniques) for the broad purpose of breadth and depth of understanding and corroboration” (Johnson, Onwuegbuzie, and Turner, 2007, p. 118). Creswell and Plano Clark (2007) argue that mixed method research enables a researcher to have a richer understanding of a complex research problem than either of the two established research approaches alone. To capture these benefits, a mixed method research approach was adopted in the thesis overall, while each individual paper adopted a different method. The qualitative component in this study includes a single case study and a multiple case study, while the quantitative component is the data collected through a survey and analyzed using a multiple regression model.

Hurmerinta-Peltomäki and Nummela (2004) highlight the importance of the order, role, and purpose of using each method in mixed method research. I followed a sequential order in this study: the qualitative data were collected before the quantitative data (see Figure 2 for more details). The decision to start with the single case study of the Idea Box at Handelsbanken was made to initially focus on the broader topic of examining how communication systems function in organizations; this turned out to be extremely useful, as expected, because a broader focus provided useful insights for setting the direction of future research and data collection in the thesis. For example, giving voice to peripheral employees or subsidiaries was a theme that emerged from the interviews, which I later built upon to write paper II (which is a conceptual paper) and provided the motivation for the data collection for paper III. In addition, the role played by both methods is almost equal, although within the domain of this thesis, the qualitative part is slightly more dominant. It was used to identify additional insights to existing literature (e.g. the notion of attention dissonance in paper III) and to provide a stronger foundation for raising questions in the survey which would not have been possible if it had been grounded in theory or existing literature alone.

Finally, the purpose of each paper varied depending on the specific research context: qualitative methods were employed in papers I and III as the phenomena being investigated were under-explored, while a quantitative study was conducted in paper IV as the aim of the paper was to build upon insights from the qualitative portion of the data collection using the survey data collected in light of extant academic research (as also shown in Table 6). In addition, it is worth mentioning that the mixed method research approach adopted in this study was not conducted as initially planned. Modifications were made during the data collection process in order to counter access con-
straints: establishing and maintaining access to respondents or companies included in this thesis turned out to be a major challenge (see the following sections for more details).

Figure 2. Sequential Flow of Mixed Method Research

| Single Case Study (Paper I)  
(August 2011-March 2013)  
| Single case study of the idea box at Handelsbanken: understand how a communication system for business ideas can address the cognitive limitations of top managers.  
|  
| Multiple Case Study (Paper III)  
(May 2013-August 2014)  
| Comparative case study of four subsidiaries within a single MNC: compare subsidiary level perception of headquarters’ attention and communication of business opportunities with the headquarters across these subsidiaries selected.  
|  
| Survey Research (Paper IV)  
(October 2014-April 2016)  
| Data collected through a survey sent to subsidiaries of a selected set of Swedish MNCs. Data were mainly collected on the perception of subsidiaries regarding the nature (extent and quality) of headquarters’ attention they receive and how these subsidiaries communicate specific business opportunities with the headquarters.  
|  
| Interview with Survey Respondents  
(January 2017 onwards)  
| Conduct in-depth interviews with a few selected survey respondents to develop a richer understanding of the phenomenon being studied.  

Single Case Study Research: Idea Box at Handelsbanken

The initial objective of the data collection at Handelsbanken was to investigate how business ideas are communicated from employees to the top management of the bank. Based on initial interviews, we\(^6\) learned about the Idea Box and

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\(^5\) Paper II is not mentioned in this figure as no empirical data were collected for it, because it is a conceptual paper.

\(^6\) \textit{“We”} means my supervisors and me, as we jointly collected the data for the thesis (as discussed in the introduction).
wanted to conduct a detailed investigation on it. The Idea Box is an electronic suggestion system used by employees at Handelsbanken to share their business ideas with the top managers. Handelsbanken is a multinational bank with its headquarters located in Sweden. These plans for data collection did not completely materialize due to a change in the top management at the bank. We were denied further interviews and access to the Idea Box in order to examine in detail on our own how individual business ideas are communicated using the system, but by the time this decision was made, we were fortunate enough to have already conducted a few interviews with the top managers about the Idea Box, which proved useful when writing paper I.

A single case study research method was adopted in order to get detailed understanding of the perspective of top managers about how the suggestion system should be managed to make them respond more quickly and fairly to business ideas (Dyer and Wilkins, 1991); this is necessary to keep the employees motivated and critical for keeping the suggestion system running on a continual basis in the long run (e.g. see Fairbank and Williams, 2001; Kim and Mauborgne, 1993). The Idea Box at Handelsbanken is a suitable single case study for two reasons: a) it is a well-established electronic system for sharing business ideas within the organization and b) the bank has a reputation for giving a greater voice and an equal stake to its employees (e.g. see Kroner, 2011; Wallander, 1999). Thus, focusing on a single suggestion system that functions in an effective way was appropriate as I was able to identify the key properties of suggestion systems which enable the top managers to respond promptly and fairly to business ideas shared by employees (cf. Eisenhardt and Graebner, 2007).

The interviews were conducted in two different subsidiaries of Handelsbanken: Sweden (also the home market) and the United Kingdom. Handelsbanken has business operations in 25 countries, but it has the highest level of presence in these two markets in terms of the total number of branches in each of these countries (based on the 2014 annual reports). A total of eight semi-structured interviews were conducted with five respondents in Sweden and the United Kingdom. The average duration of the interviews was approximately 60 minutes and the interviews were mainly conducted face-to-face, with one interview done by telephone. The respondents in both countries included a) a top manager responsible for managing the business operations of the bank in the specific country and b) the country Idea Box manager responsible for controlling the flow of business ideas in the Idea Box for a particular country (see Table 3 below for complete details of the interview respondents).

The data collected from Handelsbanken were used for paper I. Analysis of the data was conducted by identifying the main themes in the data: in light of the data, what are the key properties of the suggestion system that address the attention constraints faced by the top managers and make them more responsive to business ideas from employees (see paper I for more details)? Furthermore, my supervisors collected all interview data from Handelsbanken. The
data collection process was almost entirely complete before I joined the PhD program, so I did not take part in any data collection preparations, such as formulating questions or choosing interview respondents. I was mainly responsible for analyzing the data collected, and my lack of participation in the data collection process proved beneficial for carrying out a neutral analysis (i.e. having no prior understanding of the data collected). I then discussed my interpretations with other members of the project team, who were actually involved in the interview process and thus had prior insights or interpretations when analyzing the data (cf. Lincoln and Guba, 1985).

Table 3. Details of Interview Respondents at Handelsbanken

<table>
<thead>
<tr>
<th>Unit Location</th>
<th>Respondent(s)</th>
<th>Number of Interviews (total time in minutes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HQ-Sweden</td>
<td>Member of the Board of Directors (also CEO Handelsbanken UK)</td>
<td>1 (65)</td>
</tr>
<tr>
<td>Subsidiary-Sweden</td>
<td>Senior Vice-President</td>
<td>3 (185)</td>
</tr>
<tr>
<td></td>
<td>Senior Vice-President and Idea Box Manager</td>
<td>2 (90)</td>
</tr>
<tr>
<td>Subsidiary-UK</td>
<td>Idea Box Manager</td>
<td>1 (50)</td>
</tr>
<tr>
<td></td>
<td>Idea Box Manager and Chief Operating Officer</td>
<td>1 (65)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>5 Respondents</td>
<td>8 (455)</td>
</tr>
</tbody>
</table>

Multiple Case Study Research: Four Subsidiaries at Gamma

A decision was made to contact Gamma to collect additional data for the thesis after being denied access to the Idea Box at Handelsbanken in order to conduct a detailed investigation. The initial plan was to conduct interviews and distribute a survey to the different subsidiaries of the organization. We were subsequently not allowed to conduct the survey, which in any case would have served as a pilot study for the larger scale survey study consisting of Swedish MNCs as outlined in the next section. Hence, this did not adversely impact the data collection plan for the thesis; the empirical data collected through interviews from Gamma were used for paper III.

Gamma is a multinational corporation with global presence in 33 countries; its corporate headquarters is located in Sweden. Gamma was selected as a suitable organization for this study for two main reasons: a) a shift in strategic

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7 All the interviews mentioned in this table were used in paper 1 (see Table 1 of the paper)
8 This means that both respondents were present together for the interview and that two separate interviews were conducted with them, which lasted a total of 90 minutes.
focus towards emerging markets in Asia and the Americas, away from its traditional markets in Europe and b) a heavy emphasis on knowledge sharing, as the organization is trying to standardize its product and service offering in all the different subsidiaries. This made Gamma an interesting case study for examining whether the headquarters has been able to support subsidiaries that are strategically important for the organization, i.e. in the emerging markets, by making sure that they can provide the full complement of products and services to customers in their local markets and helping these subsidiaries openly share business opportunities with the headquarters in order to grow and perform well financially in these critical markets. Initially, face-to-face interviews were conducted at the headquarters to understand the nature of the strategic shift towards the emerging markets and to become acquainted with how business ideas are communicated within the organization.

A multiple case study design involving four different subsidiaries of Gamma was adopted for analyzing the data collected and for writing paper III. The multiple case study design allows for a replication logic in which each case confirms or contradicts the findings from the others (Yin, 1994). The subsidiary locations were selected based on purposeful sampling (Patton, 2002). Two subsidiaries each were accessed from Gamma’s advanced markets (United Kingdom and Germany) and emerging markets (Brazil and India). The idea behind their selection was that subsidiaries in emerging markets will have a greater share of headquarters’ attention and will find it easier to communicate their business opportunities with headquarters. However, subsidiaries in advanced markets will be frustrated by challenges when communicating with the headquarters, as headquarters’ attention has shifted away from them towards the emerging markets. Surprisingly, the interview findings turned out to be contradictory: the subsidiaries in emerging markets continued to face challenges with communicating business opportunities with the headquarters as they felt that the headquarters was unable to translate its strategic intentions into actual tangible actions. This confusion felt by subsidiaries in emerging markets was labeled attention dissonance in paper III.

Data from these four subsidiaries were mainly collected through semi-structured interviews, both face-to-face and via telephone. In the first interview phase, two members of our research project team, Desirée Blankenburg Holm and Rian Drogendijk, traveled to these four countries to conduct face-to-face interviews with key managers in these subsidiaries. These key managers mainly included the country manager, sales or marketing manager, and finance manager; they were identified as having primary responsibility for regularly communicating business opportunities with the headquarters. Travelling to these subsidiaries also meant that members of our project team spent one to three days in these countries and thus had plenty of time for interaction with subsidiary managers in addition to the scheduled interviews. The interviews mainly revolved around specific business opportunities that the subsidiary managers had recently communicated with the headquarters (within the
last three years). The interviewees were allowed to discuss the communication process of business opportunities in great detail, enabling us to form an assessment of their perception rather than having to ask direct questions about their perception of headquarters’ attention and the hurdles faced when communicating with the headquarters. I do not believe the respondents would have been able to answer such direct questions in an open and comfortable manner (Foss and Pedersen, 2004).

The second phase of interviews was conducted by telephone with one manager in each subsidiary, i.e. the person with primary responsibility for communicating the business opportunity with the headquarters. The country managers of all subsidiaries were contacted except for the sales manager in Germany (see Table 4 for complete details of the interviews). These interviews focused on one particular business opportunity from each subsidiary. The aim was to add more detail and richness to the existing information about the communication process of these specific business opportunities. These follow-up interviews were conducted specifically for paper III; four business opportunities were selected from among those identified by the subsidiary respondents in the first phase of interviews, which met the criteria outlined in the paper (using a 2x2 matrix9) and were representative of the general perception level of a particular subsidiary gauged from the first interview phase at these four subsidiaries. For example, all of the business opportunities discussed by the Indian subsidiary of Gamma in the first interview phase showed a certain degree of frustration with the attention engagement of the headquarters and communication with the headquarters in general, so the business opportunity selected from the Indian unit in the second interview phase was consistent with the general feeling at the subsidiary.

The data collected were analyzed using the paired comparison technique (Tarrow, 2010) in order to systematically compare the similarities and differences of subsidiary level perception of headquarters’ attention and the process of communicating business opportunities with the headquarters by subsidiaries located in advanced and emerging markets (see paper III for more details). I was actively involved in the data collection preparation process at Gamma, i.e. through formulating the interview questions, choosing the subsidiaries, and respondents to be contacted. The plan was to conduct interviews jointly with my supervisors, but this did not go as planned because I could not participate in the face-to-face interviews due to travel constraints. However, I was present for the telephone interviews. Lastly, as with the data collected from Handelsbanken, I was mainly responsible for analyzing the data collected from Gamma.

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9See Figure 1 of Paper III.
Table 4. Details of Interview Respondents at Gamma\(^{10}\)

<table>
<thead>
<tr>
<th>Unit Location</th>
<th>Respondent(s)</th>
<th>Number of Interviews (total time in minutes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HQ-Sweden</td>
<td>Communication and Marketing Director</td>
<td>1 (58)</td>
</tr>
<tr>
<td></td>
<td>SVP Human Resources</td>
<td>4 (250)</td>
</tr>
<tr>
<td></td>
<td>SVP Operations</td>
<td>1 (63)</td>
</tr>
<tr>
<td>Subsidiary-Germany</td>
<td>Country Manager</td>
<td>1 (90)</td>
</tr>
<tr>
<td></td>
<td>Sales Manager</td>
<td>2 (83)</td>
</tr>
<tr>
<td>Subsidiary-UK</td>
<td>Country Manager and Finance Manager</td>
<td>1 (86)</td>
</tr>
<tr>
<td></td>
<td>Country Manager</td>
<td>1 (39)</td>
</tr>
<tr>
<td>Subsidiary-India</td>
<td>Country Manager and Finance Manager</td>
<td>1 (164)</td>
</tr>
<tr>
<td></td>
<td>Fire Products Division Manager</td>
<td>1 (25)</td>
</tr>
<tr>
<td></td>
<td>Human Resources Manager</td>
<td>1 (63)</td>
</tr>
<tr>
<td></td>
<td>Marketing Manager</td>
<td>1 (40)</td>
</tr>
<tr>
<td>Subsidiary-Brazil</td>
<td>Country Manager and Sales Manager</td>
<td>2 (271)</td>
</tr>
<tr>
<td></td>
<td>Country Manager and Business Development Manager (Latin America)</td>
<td>1 (162)</td>
</tr>
<tr>
<td></td>
<td>Country Manager</td>
<td>1 (41)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>15 Respondents</td>
<td>19 (1,435)</td>
</tr>
</tbody>
</table>

Survey Research

Foreign subsidiaries of Swedish multinational corporations comprised the target population for this survey. The sampling frame was the Orbis database, which had a comprehensive list of Swedish multinational corporations and their foreign units. The criteria used to select the sample companies from the information obtained from the Orbis database included that all companies: a) were classified as “industrial companies” in the database, basically excluding financial service companies, b) have more than 500 employees, and c) have business operations in two or more countries outside Sweden. These criteria were selected because, in terms of both employees and global presence, larger

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\(^{10}\) Not all the interviews mentioned in this table were used in Paper III; details of interview respondents used for Paper III are given in Table 2 of the paper.
multinational corporations lead to more challenges regarding the headquarters’ division of attention across the different subsidiaries and thus create hurdles for the subsidiaries when attracting the headquarters’ attention through the communication moves employed for their business opportunities. A sample of 2,971 foreign subsidiaries from 169 multinational corporations with headquarters in Sweden was ultimately identified. Finally, it is pertinent to mention that Swedish multinational corporations were selected as a matter of convenience, not only because I am based in the country, but also because I felt it would be efficient in terms of time and money to obtain contact information for the foreign subsidiaries of Swedish multinational corporations through telephone or face-to-face contact when necessary.

After obtaining the list of Swedish multinational corporations and their foreign units, the next step was to obtain the contact information (i.e. e-mail address and mobile numbers) of the top manager in each subsidiary. This information was obtained either by calling the corporate headquarters in Sweden or through secondary sources, including company websites, annual reports, and LinkedIn. Based on this information, the top managers (in most cases, the country manager or managing director) at each of these subsidiaries were contacted by e-mail to participate in the survey, with the option to forward the survey participation request to anyone else in the unit who they thought might be better able to respond based on their recent experiences of communicating with the headquarters. The e-mail sent to these subsidiaries’ top managers included an introduction letter describing the purpose of the study, and a web link that allowed respondents to complete the survey, which was hosted by SurveyMonkey.com.

The survey comprised of questions, that were a combination of established scales in the existing literature and scales that we developed, which were relevant to this study, but were based to some extent on the qualitative data collected for the thesis. The survey included background questions about the subsidiaries (e.g. sales, employees) and the top managers responding to the survey (e.g. work experience). Respondents were also asked to identify a specific business opportunity that they had communicated with the headquarters in the recent past (up to five years); they were then asked to respond to questions about the communication moves used for the selected business opportunity and to identify the people outside of the unit who were involved in the communication process. In addition, the respondents were asked about their perception of headquarters’ attention, perception of headquarters’ decision regarding implementation of the proposed business opportunity (in addition about headquarters’ strategic decisions in general), resistance faced when sharing business opportunities, and the importance of the unit or position in the organizational network. These responses were measured on a Likert scale from 1 to 7 (Cox, 1980).

Before it was sent to the respondents, the survey was reviewed by three people who were not involved in its preparation. They identified questions
that were vague or potentially confusing, and some questions were modified or removed based on their feedback. The survey was kept short to encourage respondents to take part in it; while ensuring that multiple questions were included for key variables to avoid the possibility of including single item constructs in the analysis. Furthermore, issues such as new business ideas (innovation), communication challenges, and headquarter decisions (and attention) were highlighted in the introduction letter and survey in order to appear relevant and interesting to the respondents (Heberlein and Baumgartner, 1978).

In addition to these actions, two reminders (after 5 and 14 days) were sent to the respondents who did not complete the survey upon initial contact to increase the response rate.

A total of 142 responses were obtained; 32 responses were dropped as they had more than 5 percent missing values. The mean imputation technique was used to replace the remaining missing values of all the responses included in the final dataset. An approximately 5 percent response rate (out of the total 2,971 foreign subsidiaries) for this survey can be categorized as below satisfactory. Harzing (1997; 2000) argues that response rates for surveys conducted in multiple countries are generally low (i.e. between 6 and 16 percent) for various reasons: cultural and geographic distance between the researcher and respondent, language, country-based preferences for a particular mode of conducting surveys (e.g. face-to-face, telephone), and company policies to not participate in such surveys. For this survey, a few of the non-respondents contacted to identify their reasons for non-participation in the survey also listed similar factors to those stated by Harzing. These mainly included language constraints, a company policy to not participate in online surveys, and not being suitable survey respondents because they do not actively participate in communicating initiatives within the organization.

The survey was only in English and could not be translated to other languages due to time and cost constraints. Many respondents were thus not entirely confident in responding to the survey, hence lowering the response rate. The response rate was also impacted by internet access and the respondents’ degree of computer proficiency, which varied considerably across different countries. In addition, online surveys were viewed skeptically by many respondents in general due to personal privacy and company information security concerns; I received messages from respondents in roughly 20 different companies who declined to participate, citing a company policy to not participate in online surveys. Furthermore, few subsidiaries actively participate in generating and communicating business opportunities with the headquarters (Birkinshaw, 1997; Blomkvist et al., 2014). It is safe to assume that only a select set of subsidiaries (e.g. based on size, resources, and roles) included in the sample had been involved with extensive communication about business opportunities with the headquarters in the recent past, thus qualifying them to respond to the survey. The strategy of targeting all subsidiaries in a multina-
tional corporation had the obvious drawback of considerably lowering the response rate for this survey, as many studies in the past have specifically focused their survey sample on subsidiaries involved in manufacturing or R&D (e.g. see Dellestrand and Kappen, 2012). I opted for this open approach to be able to identify interesting and surprising responses for which detailed information could be obtained through follow-up interviews with the respondents.

The 110 usable responses were obtained from subsidiaries located in 62 different multinational corporations and 43 different countries. In addition, 85 percent of the respondents were the subsidiaries’ top managers, while 15 percent of respondents could be considered members of the top management team of their respective subsidiaries and were nominated by the top managers to participate in the survey. The business opportunities selected by respondents were divided across three categories: product and market development (67 percent), acquisition (26 percent), and change of internal logistics or business routines (7 percent). Furthermore, Table 5 below provides additional details on the survey responses.

The survey data collected were used to write paper IV of the thesis. The data collected were analyzed using a multiple regression model in order to understand the impact of subsidiary level perception of headquarters’ attention on subsidiary voice (see paper IV for more details). In addition, I jointly prepared the survey with my supervisors, but I alone developed a list of survey respondents by collecting relevant information and contacting them to obtain responses. I was also mainly responsible for the validation and analysis of the survey data collected.

Table 5. Details of Survey Responses

<table>
<thead>
<tr>
<th>Subsidiary Age</th>
<th>Average Score (Standard Deviation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiary Employees (years)</td>
<td>252.5 (495.3)</td>
</tr>
<tr>
<td>Respondents’ Experience in Company (years)</td>
<td>9.8 (8.3)</td>
</tr>
<tr>
<td>Respondents’ Experience in Current Position (years)</td>
<td>4.8 (4.3)</td>
</tr>
<tr>
<td>Global Presence of MNCs (countries)</td>
<td>31.6 (30.7)</td>
</tr>
</tbody>
</table>

Ethical Considerations

To the best of my knowledge, I complied with all established ethical norms for conducting research in the thesis. Respondents to both the survey and interviews were provided with information about the nature of the research being conducted and how the data collected would be used (i.e. mainly for academic publications) on initial contact. This was done to ensure that the respondents provided an informed consent (Diener and Crandall, 1978); participation was voluntary and no financial incentives were provided to
respondents for participating in the study. Furthermore, respondents gave their permission to reveal the company names. Thus, when permission was not granted, a decision was made to keep the company name anonymous, as in the case of Gamma (see paper III). The collected interview and survey data are only accessible to members of my research project team. A privacy assurance was provided to the survey respondents in the introduction letter sent to them through e-mail that no individual or company-specific information would be disclosed in public. Finally, my PhD studies were partly financed (for the first three years) by an external scholarship from the Jan Wallander and Tom Hedelius Foundation, so I openly disclose this in all academic output (i.e. journal articles and conference papers) associated with this data, and additionally state that the funding received did not influence the findings in any way (Bryman and Bell, 2011).
Summary of the Papers

This chapter presents a summary of the four papers that are included in the thesis. The papers were carefully ordered for a specific reason. Paper I has a broader perspective than the rest of the papers, as it examines communication systems overall and presents how such systems can give voice to all subsidiaries within an organization (research question 2 of the thesis). The other papers address the first research question: impact of subsidiary level perception of headquarters’ attention on subsidiary voice. In addition, each of the other papers deals with a specific type of subsidiary: paper II concentrates on low weight subsidiaries, paper III examines subsidiaries transitioning from a lower to higher weight in the organization, and paper IV is based on data obtained primarily from subsidiaries with a relatively high weight in the organization.

Paper I: Keeping suggestion systems alive: Making top managers responsive to business ideas from employees

Suggestion systems are defined as an “administrative procedure for collecting, judging and compensating ideas, which are conceived by the employees of the organization” (Ekvall, 1971, p. 13). Suggestion systems are a cost-effective way for an organization to obtain novel business ideas from its employees and have been around for a long time; Kodak first used them in 1898 for its employees to share business ideas with the top managers (Mathes, 1992; Shair, 1993). Regardless, most suggestion systems fail to function in the long run, primarily due to two reasons: a) employees are not sufficiently motivated to regularly and continually share business ideas in the long run and b) top managers are unable to sustain their attention on the business ideas shared through the suggestion system.

There is a lack of research on how suggestion systems should be designed to address the two main challenges outlined above (Frese, Teng, and Wijnen, 1999). The research to date has mainly highlighted the importance of keeping employees motivated to share business ideas in the long run (Fairbank and Williams, 2001). There has been little focus on how top managers can sustain their attention on suggestion systems. Top managers obtain an abundance of information from multiple and diverse sources. Suggestion systems are simply an additional source of information for top managers, but they are critical, as
employees can be a source of novel business ideas or information that the top managers cannot obtain on their own (cf. Ambos, Ambos, and Schlegelmilch, 2006; Rerup, 2009). Thus, the research objective of this paper is to identify how suggestion systems should be designed to address the attention constraints faced by the top managers.

The key challenge faced by top managers is that they need to maintain their attention on the suggestion systems in the long run without exerting substantial time, effort, and resources to obtain information or business ideas from this particular source, which would negatively impact the amount of attention they can devote to other information sources (cf. Li, Maggaitti, Smith, Tesluk, and Katila, 2013). If the top managers could maintain their attention on the suggestion systems in the long run, it would increase the probability that they respond fairly and promptly to business ideas from employees. This is necessary to keep the employees motivated and willing to communicate business ideas with the top managers on a regular basis in the future (Beuch, Michel, and Sonntag, 2010).

Using the data collected from the Idea Box at Handelsbanken (as discussed in chapter 4), three key properties of suggestion systems were identified that mitigate the attention constraints faced by the top managers. First, suggestion systems should be transparent and open to all the employees in the organization. Transparency makes the top managers accountable for the decisions they make, thus reducing any potential biases or discrimination in the attention decisions of the top managers. Second, the paper emphasizes the role of suggestion system administrators, i.e. an employee function in the organization, that directs the flow of business ideas from the employees to the (appropriate) top managers. Monteiro (2015) argues that top managers select information or business ideas that comply with their existing knowledge or experience, so the presence of suggestion system administrators reduces attention selection bias. They are also responsible for making sure the top managers are not overburdened by the quantity of information they have to deal with. Third, organizational values that support employees to openly share business ideas and value the contributions made by employees to the organization are essential for encouraging top managers to sustain attention on suggestion systems.

**Paper II: Trapped in a vicious circle: Can low weight subsidiaries get headquarters’ attention?**

Subsidiaries can use their weight or voice to attract the attention of the headquarters of a multinational corporation (Bouquet and Birkinshaw, 2008a). Weight refers to subsidiary power, which is mainly based on the position of subsidiaries in the organizational network and/or the strategic importance of the markets in which the units are located. On the other hand, voice includes
profile building measures and undertaking initiatives at the subsidiary level in order to attract headquarters’ attention. In this conceptual paper, I only focus on the initiative-taking dimension of voice, i.e. the ability of a particular subsidiary to decide on the communication moves it wants to adopt to attract the headquarters’ attention when communicating business opportunities (Dutton and Ashford, 1993).

Bouquet and Birkinshaw (2008b) argue that low weight subsidiaries can use the initiative-taking approach to gain influence and thus improve their weight in the organization, but this is only possible when the initiatives are approved by the headquarters and the subsidiaries can successfully implement them (Ambos et al., 2010). Obtaining attention and approval from the headquarters depends on the choice of communication moves subsidiaries make (Dutton and Ashford, 1993). Hence, in this paper, I show how low weight subsidiaries are unable to attract headquarters’ attention as they cannot make suitable communication move decisions. I contribute to existing research by arguing that subsidiary voice alone is not enough to attract headquarters’ attention; it is only effective when used in combination with weight (Dörrrenbächer and Gammelgaard, 2016).

Top-down headquarters’ attention is mainly allocated based on subsidiary weight, so low weight subsidiaries receive minimal or no top-down headquarters’ attention (Bouquet and Birkinshaw, 2009). As a result, these subsidiaries do not regularly participate in meetings where key strategic decisions are taken and seldom meet face-to-face with members of the headquarters (Ocasio, 1997; Ocasio and Joseph, 2005). This hinders the ability of low weight subsidiaries to gain relational and strategic knowledge. Relational knowledge is about how the headquarters operate, i.e. the composition of the top management and the individual expertise of the managers, while strategic knowledge relates to the strategy, vision, and goals of the organization in general. Relational and strategic knowledge provides subsidiaries with the necessary contextual knowledge about the selling moves that effectively attract the headquarters’ attention (Dutton et al., 2001). In addition, repeated failures to get their messages across to the headquarters hamper the ability of low weight subsidiaries to gain experiential knowledge (or normative knowledge) about which communication moves headquarters prefer (Howard-Grenville, 2007).

Overall, this means that low weight subsidiaries do not possess sufficient relational, strategic, and normative knowledge to enable them to attract headquarters’ attention through the communication moves they employ for specific initiatives. This leads to a sense of marginalization among low weight subsidiaries, which are trapped in a vicious circle because they cannot increase their weight in the organization over time through their voice (as claimed by Bouquet and Birkinshaw, 2008b). On the contrary, the only way for low weight subsidiaries to break free from the vicious circle is for the headquarters to re-assess the weight of these subsidiaries in the organization based on their
own initiative (cf. Plourde et al., 2014). For example, the weight of a subsidiary might increase when the headquarters recognizes the strategic importance of the local market in which the unit is located based on its own evaluation, following the actions of a competitor, or by reacting to information from external sources (such as companies like Goldman Sachs).

Paper III: Attention in words, not in deeds: Effects of attention dissonance on headquarters-subsidiary communication in multinational corporations

Emerging markets (i.e. the BRIC countries) have always been important sales locations for Western multinational corporations due to their huge customer base. A recent change is that Western multinational corporations have shifted their value-added activities, such as manufacturing and R&D, to these markets (Bruche, 2009). Consequently, subsidiaries in the emerging markets have obtained greater strategic importance in these organizations; the headquarters of Western multinational corporations must now respond quickly to business opportunities originating from these subsidiaries in order to reap maximum economic gains. A key challenge faced by headquarters of Western multinationals is the fact that subsidiaries in emerging markets are at a significant cultural, linguistic, and geographical distance from them, which leads to greater complexity and cost of communication (Daft and Lengel, 1984; 1986). In addition, this makes it difficult for the headquarters to sustain attention on these distant subsidiaries, especially in terms of having up-to-date knowledge about the business operations and local markets of these units.

Data for this paper were collected at Gamma, as outlined in chapter 4; Gamma was undergoing a shift towards the emerging markets (in Asia and the Americas) as its traditionally strong markets in Europe were facing stagnant or declining growth. Thus, prior to data collection, subsidiaries in the advanced markets were expected to complain about communication problems with the headquarters and difficulty attracting headquarters’ attention for their business opportunities, while subsidiaries in emerging markets were expected to find it easier to get their messages across to the headquarters, given the shift in strategic focus towards them. On the contrary, we found that subsidiaries in advanced markets had few problems attracting headquarters’ attention or communicating with the headquarters in general, while subsidiaries in emerging markets felt that the headquarters failed to take concrete actions in line with its strategic intentions which would signal the tangible importance of these units. Concrete actions include involving the subsidiaries in important strategic decisions, interacting with them more often either through face-to-face meetings (and other communication mediums), or simply by making efforts to gain knowledge about these subsidiaries (and their local markets) (cf.
Bouquet et al., 2009). Consequently, subsidiaries in emerging markets continued to use formal and less rich mediums of communication (i.e. communicating the same way they did before the strategic shift from the headquarters), thus making it difficult for the headquarters to properly comprehend and respond quickly to the business opportunities being communicated.

The main theoretical finding in this paper is to highlight a mismatch between the strategic and operational dimensions of headquarters’ attention, which are generally considered to be consistent with each other (Elsbach et al., 2005). Ocasio (2011) distinguishes between attention perspective and attention engagement: attention perspective is aligned with the overall strategy of the organization, while attention engagement relates to how top managers allocate their time, effort, and resources in their daily business routines, such as the meetings they participate in and the information they receive about subsidiaries through documents like business plans, budgets, and performance evaluation statements (also known as procedural and communication channels; Ocasio, 1997). In light of the case study data, it can be seen that the subsidiaries in the emerging markets perceive a misalignment between the attention perspective and attention engagement of the headquarters. This misalignment is labeled attention dissonance; hence, a new term was coined in this paper to describe the confusion faced by these subsidiaries, which receive conflicting signals from the strategic intentions and actions of the headquarters, and are thus unable to decide how to react in terms of their behavior and actions vis-à-vis the headquarters.

The case company for this study was unable to overcome the inertia, as the procedural and communication channels within the organization continued to operate the same way they did before the strategic shift towards the emerging markets. The headquarters was unwilling to embrace the challenges associated with managing subsidiaries at a distance. It was unable to exert time, effort and resources to obtain knowledge about subsidiaries in emerging markets and their local contexts, especially as these markets are generally relatively unknown, and are even difficult for most headquarters of Western multinational corporations to comprehend (Kostova and Zaheer, 1999). In addition, managing subsidiaries from a distance requires the headquarters to either be open to different communication styles adopted by the various subsidiaries of a multinational corporation, or to strive to create a strong organizational culture in which the subsidiaries can break away from adopting communication styles unique to their own cultural context. The data did not include enough evidence to suggest that either of the two approaches were being effectively pursued by the Gamma headquarters.
Paper IV: Headquarters’ attention, subsidiary voice and strategic change in multinational corporations

Attention is a scarce resource for top managers (Cyert and March, 1963); the attention-based view of the firm looks specifically at how the top managers divide this limited resource across the different subsidiaries in the multinational corporations (Ocasio, 1997). There are numerous and diverse subsidiaries within multinational corporations, so the headquarters cannot provide equal attention, in terms of quantity and quality, to all subsidiaries in the organization. In addition, attention decisions relate to how the top managers search for, recognize, and interpret business ideas originating from the subsidiaries (cf. Dutton and Ashford, 1993; Ocasio, 1997; Ocasio and Joseph, 2005). These business ideas or the information obtained from the subsidiaries are pivotal for the headquarters to make important strategic decisions and ensure that these decisions positively contribute to the growth of the entire organization (Li et al., 2013).

Subsidiaries use their voice as a bottom-up tool to attract headquarters’ attention for their own business opportunities (Bouquet and Birkinshaw, 2008a). In this paper, voice refers to the communication moves adopted by subsidiaries for specific business opportunities in order to attract the headquarters’ attention (Dutton and Ashford, 1993). We know from existing literature that subsidiary weight (Dörrenbächer and Gammelgaard, 2016) and contextual knowledge about the organization (or the headquarters more specifically: Dutton et al., 2001) enables subsidiaries to effectively use their voice. In addition, Ocasio (2011) argued that very few papers have examined how headquarters’ attention decisions influence the behavior and actions of the subsidiaries, so in this paper, I look specifically at how subsidiary level perception of headquarters’ attention impacts subsidiary voice. In addition, attention research has distinguished between the strategic dimension of attention (also known as attention perspective) and the structural dimension of attention which relates to the usual daily routines and activities performed by top managers (also known as attention engagement) (Ocasio, 2011). Thus, in this paper, I also examine whether there are any differences in the impact of subsidiary level perceptions of these two types of attention on subsidiary voice.

Data for this paper were collected through a survey as mentioned in chapter 4. The data collected were analyzed using a multiple regression model in order to examine the relationship between subsidiary level perception of headquarters’ attention and subsidiary voice using the hypotheses developed for this paper. The dependent variable was subsidiary voice, which had three components: preparation and timing, involvement, and the richness of communication mediums chosen by the subsidiaries. The independent variables were the two dimensions of attention: subsidiary level perceptions of headquarters’ attention perspective and attention engagement. The results show that in gen-
eral, subsidiary level perception of headquarters’ attention has a positive impact on subsidiary voice. In addition, subsidiary level perception of headquarters’ attention perspective relates only to the decisions on timing and preparation for the communication of business opportunities, while the subsidiary level perception of headquarters’ attention engagement also impact their choice of communication mediums and decisions about the involvement of other units in the communication process.

The findings confirm the original notion of the attention-based view of the firm: attention decisions determine the behavior of an organization. In this paper, it can be seen that headquarters’ attention decisions influence the ability of subsidiaries to search for new business opportunities in their local markets, as well as how they communicate the identified business opportunities with the headquarters. In line with this finding, subsidiary managers who experience a high degree of attention engagement from the headquarters are better able to use voice to attract headquarters’ attention to their initiatives or business opportunities. This means that the headquarters in a multinational corporation is likely to continue to depend on a certain set of subsidiaries for sourcing knowledge and business ideas. These are mainly the subsidiaries with a high weight in the organization which thus receive high levels of top-down headquarters’ attention engagement (Bouquet and Birkinshaw, 2009). However, the subsidiaries that feel they do not receive sufficient headquarters’ attention engagement are likely to be unable to direct the headquarters’ attention towards strategic issues or business ideas that they consider important for their own units (and the whole organization). Consequently, these subsidiaries are unable to participate in strategic decision-making and future planning taking place within the organization.
Table 6: Bringing the Pieces Together – Connections Between Papers

<table>
<thead>
<tr>
<th>Progression of Research Focus</th>
<th>Method</th>
<th>Progression of Research Insights</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>How should a communication system be designed to allow all subsidiaries within the MNC to participate in the communication of business ideas?</td>
<td>Single case study of the Idea Box at Handelsbanken</td>
</tr>
<tr>
<td>II</td>
<td>Can low weight subsidiaries use their voice to gain influence in the MNC, especially in MNCs that do not have suggestion systems or communication channels that allow all subsidiaries to participate in the communication process as discussed in paper I?</td>
<td>Conceptual paper</td>
</tr>
<tr>
<td>III</td>
<td>If the headquarters make a positive reassessment of a subsidiary’s weight as outlined in paper II, are the subsidiaries undergoing a positive change in their weight (from a relatively low to a higher weight) better able to attract attention and communicate initiatives with the headquarters?</td>
<td>Comparative case study of four subsidiaries in the same MNC</td>
</tr>
<tr>
<td>IV</td>
<td>Does sustained attention engagement have a significant positive impact on a subsidiary’s ability to use its voice as argued in papers II and III? Does attention perspective have a negligible impact on subsidiary voice, as shown by the case study data in paper III?</td>
<td>Regression analysis, survey data collected for foreign subsidiaries of a sample of Swedish MNCs</td>
</tr>
</tbody>
</table>
Conclusion

Implications for Theory
Subsidiary Voice

Recent research on subsidiary voice and issue selling in general has emphasized the importance of using communication moves to attract headquarters’ attention; in addition, the research gives the impression that all subsidiaries in a multinational corporation can use their voice to attract headquarters’ attention (Bouquet and Birkinshaw, 2008a; Dutton et al., 2001; Monteiro, 2015). In line with this notion, Bouquet and Birkinshaw (2008b) argue that low weight subsidiaries can adopt an initiative-taking approach and gain influence in the organization through the use of voice. The thesis findings, on the contrary, illustrate a dilemma for subsidiaries that lack considerable weight in the organization, as they cannot use their weight to attract headquarters’ attention and instead they depend entirely on their voice for this purpose (Dörrenbächer and Gammelgaard, 2016). In the face of an absolute reliance on voice, these subsidiaries are handicapped by lacking sufficient contextual knowledge about the headquarters and the organization in general, due to the low level of top-down headquarters’ attention they receive. This limits not only the latitude available to these subsidiaries in terms of choosing communication moves for specific business opportunities, but also makes them less aware of the communication moves that could better attract headquarters’ attention (Dutton et al., 2001). Overall, this means that subsidiaries are unable to use their voice alone to attract headquarters’ attention; voice only works for subsidiaries when they have considerable weight in the organization (as discussed in paper II).

In a similar vein, recent research relating to headquarters’ attention has alluded to the need for the headquarters to actively seek knowledge about the subsidiaries it considers valuable for the MNC (i.e. mainly based on weight), in addition to having regular communication with these subsidiaries and involving them in decision-making platforms where strategic or key operational decisions are made (see Bouquet et al., 2009). All of these actions can be classified as attention engagement; recent research has been conducted primarily using data from the headquarters, while the thesis findings similarly emphasize the importance of sustained attention engagement based on the data collected at the subsidiary level about their perceptions. The thesis findings show
that headquarters’ attention engagement allows the subsidiaries to effectively use voice, basically by choosing communication moves that can better attract the headquarters’ attention. These claims were supported by the survey data in paper IV, which established that a positive perception of headquarters’ attention engagement provides subsidiaries with greater latitude in making communication move decisions. Subsidiaries thus have the freedom to choose communication moves for specific business opportunities that increase the likelihood of attracting headquarters’ attention and obtaining approval. Furthermore, the case study data in paper III showed that subsidiaries hesitated to openly and directly communicate with the headquarters, especially when they felt the headquarters did not regularly interact with the subsidiaries and/or the headquarters lacked sufficient knowledge about the subsidiaries to properly interpret and understand the business opportunities being communicated.

**Subsidiary Initiatives**

The thesis contributes to research about how subsidiaries seek headquarters’ attention for their initiatives, which was identified as lacking in research on subsidiary initiatives to date (Schmid et al., 2014). The findings show that certain subsidiaries are at a significant relative advantage when seeking headquarters’ attention, thus building on existing research about the challenges faced by subsidiaries when communicating subsidiary initiatives with the headquarters (see Birkinshaw and Ridderstråle, 1999; Mahnke et al., 2007; Szulanski, 1996). The thesis findings contribute to this research by pointing out an unequal playing field for subsidiaries when seeking headquarters’ attention for their initiatives, as peripheral subsidiaries (i.e. in terms of network position and contextual knowledge) are faced with greater uncertainty about choosing communication moves and must deal with undue resistance when sharing initiatives with the headquarters.

Extant research has shown that communication moves adopted by subsidiaries depend on the nature or type of subsidiary initiatives (Birkinshaw, 1997; Birkinshaw and Ridderstråle, 1999; Verbake et al., 2007). The empirical data collected for the thesis did show that differences in the communication moves adopted by subsidiaries exist based on the nature of the subsidiary initiatives, for example between a) domain developing and domain consolidating subsidiary initiatives (as in paper III) and b) internal and external subsidiary initiatives (according to survey data collected). Despite these differences, the nature of business opportunities did not have a statistically significant impact on the communication moves according to the survey data collected (see paper IV). Furthermore, the analysis of the case study data showed that greater variation in communication moves adopted by subsidiaries was due to the location of these units rather than the nature of the subsidiary initiatives. Hence,
Attention-Based View of the Firm

A central assumption of the attention-based view of the firm is that the cognitive knowledge of the headquarters depends on the procedural and communication channels in the organization (Ocasio, 1997). Cognition is situated in a particular structure, so it is argued to always be aligned (Elsbach et al., 2005). The case study of Gamma highlights a particular instance in which this might not be true, i.e. a transition phase in which an organization is undergoing a strategic change. The focus of the thesis was on subsidiary behavior and actions. Thus, based on the case study data from Gamma, subsidiaries that were viewed as strategically important in the organization felt that the headquarters’ actions did not follow up with their strategic intentions. These subsidiaries felt that the attention perspective (i.e. strategy) and attention engagement (i.e. actions of the headquarters in the procedural and communication channels) were not aligned with each other. The misalignment identified in the thesis led to the introduction of the new concept of attention dissonance. This gives rise to a sense of confusion faced by subsidiaries when receiving opposing signals from the strategic intentions and the actions of the headquarters. Consequently, the subsidiaries became unsure about whether to behave in line with strategic intentions or the actions of the headquarters.

The thesis findings also emphasize that the effectiveness of attention engagement is directly linked to the design and management of the procedural and communication channels in an organization. This implies that these channels should function in a way that enables the headquarters to effectively manage both attention vigilance and executive attention, thus being able to sustain the diverse attention span necessary to avoid any future crises impacting the MNC (Ocasio, 2011; Rerup, 2009). The procedural and communication channels should ideally be designed to enable headquarters’ managers to situate themselves in multiple contexts, i.e. to be able to obtain information from multiple subsidiaries through high executive attention, but also ensuring that more sustained attention is directed at the important subsidiaries through high attention vigilance.

The case study data from Gamma (in paper III) shows that the procedural and communication channels in the organization were only effectively structured in Europe. As a result, the headquarters was forced to some extent to have attention vigilance towards the European markets, which was not the optimal choice for the organization in that situation. The lack of proper channels in geographic markets outside Europe made it extremely challenging for the headquarters to exercise executive attention by diverting attention to these
markets. In addition, directing attention to these markets required a huge investment of time, effort, and energy; for example, traveling to these distant subsidiaries to meet face-to-face with the subsidiary managers. This ultimately meant that subsidiaries of Gamma located in geographic regions outside Europe formed the perception that the actions of the headquarters were not in line with its strategic intentions.

The Multinational Corporation

In light of the thesis findings, the view of the multinational corporation that emerges is where subsidiaries with considerable weight compete with each other for headquarters’ attention and resources. They use their voice in conjunction with weight to attract attention for the business opportunities they share with the headquarters (Dörrenbächer and Gammelgaard, 2016). Thus, it can be stated that the headquarters and these high weight subsidiaries form a strategic core of the multinational corporation. However, the peripheral subsidiaries, i.e. the low weight subsidiaries and the subsidiaries that are transitioning from a low to higher weight in the organization, are faced with numerous challenges in their efforts to attract headquarters’ attention. The low weight subsidiaries are completely marginalized, as they cannot gain influence in the organization by using their voice, while subsidiaries making a positive transition in weight are dependent on the headquarters to support them (through attention engagement) in order to effectively use their voice and thus complete their transition to a higher weight.

The downside of this unequal playing field (in terms of the core-periphery divide) within multinational corporations is that the headquarters might miss out on or be slow to respond to the potentially valuable business opportunities being shared by the subsidiaries with a peripheral position in the organization. It is pertinent to mention that there is no doubt that peripheral subsidiaries are at a disadvantage in generating and sharing novel and useful business opportunities, but based on the thesis findings, it might prove beneficial for the headquarters to ensure that procedural and communication channels are accessible to all subsidiaries in the organization (as shown in paper I). This may encourage these peripheral subsidiaries to use their voice and do so effectively over time based on the nature of the attention engagement received from the headquarters. In addition, the total dependence on a few core subsidiaries can prove to be detrimental for the organization when the cognitive limitations of the headquarters are added to the equation. Due to knowledge limitations, headquarters’ assessment of subsidiary weight can potentially be flawed: subsidiaries that actually possess valuable resources or have a strong presence in their local markets might not have a high weight in the organization, as the headquarters is simply not aware of them, for instance because of the subsidiaries being at a distance from the headquarters (cf. Denrell et al., 2004).
Implications for Practice

The findings of this thesis have practical implications for managers working at both the subsidiary and headquarter levels in multinational corporations. For MNC subsidiary managers, the thesis presents a rather discouraging picture by highlighting the limitations of subsidiary voice as a means of attracting headquarters’ attention. Despite this, the thesis highlights the importance of using the contextual knowledge possessed by subsidiaries about the headquarters and the organization in general when making decisions about the communication moves to employ for specific business opportunities (Dutton et al., 2001). The best possible way to gain contextual knowledge is through regular interactions with the headquarters, mainly through communication channels present within the organization, such as by participation in company meetings or informal face-to-face conversations. However, for subsidiaries (mainly low weight ones) that do not have these opportunities available to them and are thus unable to effectively use their voice, it is necessary to try to catch the eyes of the headquarters by carrying out routine activities to the best of their abilities. This means effectively performing the roles assigned to them by the headquarters and making sure they consistently perform well financially (i.e. sales revenue and profits) (also see deference: Bouquet and Birkinshaw, 2008b).

Furthermore, for MNC managers at the headquarters, the thesis findings illustrate the importance of headquarters taking quick and effective actions that can direct and then sustain their attention towards subsidiaries that are strategically important for the organization. As highlighted by the case of subsidiaries in the emerging markets in paper III, failure to do so can lead to confusion and frustration among these subsidiaries. This impacts the financial performance of the organization as the subsidiaries become hesitant or unwilling to share business opportunities, which are critical for growth in their local markets, with the headquarters. Furthermore, the thesis findings highlight the significance of the headquarters’ openness to business opportunities and gaining up-to-date information about all the different subsidiaries in the multinational corporation—especially for peripheral subsidiaries, as the headquarters would not want to miss out on novel and useful business opportunities from these subsidiaries due to their lack of participation in communication channels and decision-making platforms. This is extremely challenging given the attention constraints faced by the headquarters, but it can mainly be addressed by having an organizational structure in which information processing and decision-making on business opportunities is not entirely the responsibility of a few key managers at the headquarters (as discussed in paper I). For instance, regional managers in multinational corporations can play an integral role in identifying and interpreting any information available to them from subsidiaries located in their geographic region. Regional managers are generally also
better acquainted with the local markets and business operations of subsidiar-
ies in their geographic region compared to the headquarters, due to their prox-
imity to these business contexts.

Limitations and Directions for Future Research

The data for the thesis were almost solely collected at the subsidiary level, which was necessary given the research gap in existing literature, i.e. exam-
ing the impact of headquarters’ attention on subsidiary voice (Ocasio, 2011). Despite this, the data could be argued to be lacking the total picture and poten-
tially biased, as corresponding data were not collected at the headquarters. Hence, future research in this area can be based on data collected at both the subsid-
ary and headquarters levels to not only capture perception gaps (e.g. see Chini, Ambos, and Wehle, 2005), but also to better understand how subsidi-
aries use a combination of weight and voice to attract headquarters’ atten-
tion (Bouquet and Birkinshaw, 2008a; Monteiro, 2015). It can be argued that it is sufficient to understand the role of subsidiary voice through the data col-
lected at the subsidiary level, as was done for this thesis, but weight requires perception data to be collected at the headquarters as well.

In addition, both survey and interview data were collected from multi-
national corporations with corporate headquarters in Sweden and subsidiaries
located in multiple and diverse markets. The Swedish context of this thesis could potentially limit the empirical generalizability of the results to multi-
national corporations with headquarters located in other countries. Organiza-
tional culture and strategic choices (in terms of autonomy and initiative-tak-
ing) available to the subsidiaries (see Ambos and Birkinshaw, 2010) influence
how they perceive the attention decisions made by the headquarters. Swedish
companies are generally less hierarchical, thus allowing subsidiaries to have
more autonomy and responsibility, in addition making them more willing and
open to sharing business opportunities with the headquarters (cf. Fey, 2005;
Williams and Devine, 2005). It will be interesting to examine how these find-
ings differ when the data are analyzed from multinational corporations with
headquarters located in countries outside Sweden, especially from companies
that are centralized, that have less open organizational cultures, and that do
not provide their subsidiaries with ample strategic choices.

Finally, future research should focus on developing the two key findings
of this thesis: a) attention dissonance faced by subsidiaries when headquarters’ attention engagement and attention perspective are not aligned with each other and b) the marginalization of low weight subsidiaries due to their inability to use voice to gain more influence in the organization. First, in paper III, the concept of attention dissonance was introduced and a description was pro-
vided in light of the multiple case study data collected. Future research should examine in detail the impact of attention dissonance on subsidiary actions or
behavior and possibly explain the reasons behind this phenomenon at the headquarter level in addition to the inertia discussion presented in paper III. Second, Bouquet and Birkinshaw (2008b) identified numerous means (such as entering into political games, initiative-taking, or breaking the rules) through which low weight subsidiaries can gain influence in the organization. Based on the initiative-taking approach in the thesis, I argue that low weight subsidiaries are unable to use their voice to attract headquarters’ attention and gain weight in the organization due to the low level of top-down attention engagement they receive from the headquarters (see papers II and IV). Despite this, future research could use a case study approach to identify instances (and explain possible reasons) in which low weight subsidiaries have been able to successfully use their voice, i.e. by adopting an initiative-taking approach. In addition, alternative means through which low weight subsidiaries can attract headquarters’ attention could be identified, which can basically be done by investigating the different approaches mentioned by Bouquet and Birkinshaw (2008b) using empirical data. To the best of my knowledge, this has not been done to date.
References


