

BOOSTING SUSTAINABILITY FROM BEYOND: MICRO-POLITICS AND THE ROLE OF REGIONAL HEADQUARTERS

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Abstract. *“Isolated hierarchy” companies, often to be found in the Asia-Pacific region, tend to exert direct, personal and strong control over all company units; furthermore, southern multinationals are often strongly influenced by their governments. These companies have different traditions of ethics, respect for society and the environment than European ones. Sustainability as a strategic concept usually is initiated by corporate headquarters – but given the restrictions of isolated hierarchies in emerging markets, one would not expect that to happen with southern multinationals. Recently regional headquarters (RHQ) have gained attention. Being responsible for a number of branches, RHQs can to a certain extent shape the strategic focus of the entire company. The objective of this conceptual paper is to examine if there are possibilities to boost sustainability “from beyond”, initiated by RHQs. Following suggestions by Hansen and Küpper (2009) and Bouquet and Birkinshaw (2008), we interpret managing as power games. We will examine three levels to promote sustainability despite lacking corporate headquarter (CHQ) support. First, we interpret strategizing as an innovation game. At this level, the odds of influencing the CHQ are low. RHQs will step in increasingly prominently when implementing strategies – we will coin this project games. At this level, the focus shifts from managerial strategies to micro-political tactics. Regional headquarters draw their power from performing managerial functions either by integrator or negotiator power or particularly through broker power. A third way to boost sustainability is by declaring them mere adaptation to local needs. This is in line with observations that sustainability could ultimately be implemented as “pure operation” below the CHQ’s threshold of strategic perception. Tactics that fit best to isolated hierarchies and accept the strategic prerogative have the greatest potential to influence implementing sustainability from below. On a more theoretical level, these considerations provoke ethical issues.*

Keywords: *multinational companies; regional headquarters; sustainability; micro-politics; managerial power games.*

Introduction

Recent concepts of sustainability, grounded on an integrated view of the triple-bottom-line encompassing economic, social and ecological aspects (Elkington, 2004; Kleine & Hauff, 2009; Steurer, Langer, Konrad & Martinuzzi, 2005), emphasize the global responsibility of companies, especially internationally operating and multinational ones (Fernando, 2012; Steurer, 2001). Research and practice claim a strong burden of proof (Loew, Ankele, Braun & Clausen, 2004; Spitzer & Martinuzzi, 2013) and the need to incorporate sustainability into the corporate strategy (Gazzola & Colombo, 2015;

Mirvis & Googins, 2006; Rangan, Chase & Karim, 2012), mostly by demonstrating the business case for sustainability (Arevalo, Castelló, Colle, Lenssen, Neumann & Zollo, 2011; Carroll & Shabana, 2010; Galbreath, 2009).

A second tradition harks back to company and management ethics, emphasizing the ethical and moral obligations of companies (Göbel, 2013; Karmasin & Litschka, 2008). The ethical goal of a fairer world was significantly influenced by development cooperation, *inter alia* in the framework of the United Nations (Leiserowitz, Kates & Parris, 2005, 2006). Based on global accountability and solidarity, this view includes both responsibilities for subsidiaries, operating sites, and companies within the group as well as responsibilities for site countries and stakeholder groups – albeit motivation from the argument that “good ethics is good business” has recently evoked fundamental criticism (Painter-Morland & ten Bos, 2016).

At any rate, in highly developed economies sustainability and sustainable management undoubtedly take on the greater significance on both the practical as well as the theoretical agenda. However, this is not equally true for multinational companies from developing or emerging countries, especially those of Asian extraction – though we should not overgeneralize this in the light of sustainability pioneers (i.e., Thailand: Ferguson, 2011; Sri Lanka: Hunter & Van Wassenhove, 2011; India: Pereira, Munjal & Nandakumar, 2016; DR Congo: Mária & Devust, 2011). Sustainability as a strategic concept usually is initiated by CHQs (e.g. Grayson, 2011; Ragusa, 2011) - but given the restrictions of isolated authorities and emerging markets you would not expect that to happen in southern multinational companies (SMNC). To foster sustainability there, we have to search for alternatives. Another possibility at hand is the initiation of sustainable corporate behavior by RHQs in high-standard locations.

The objective of this paper is to examine if there are possibilities to boost sustainability “from beyond” concentrating on SMNCs from East Asia. After setting the scene in the first part, the main body of the paper is devoted to the question: which contributions to the implementation of sustainability can be provided by RHQs? We interpret strategy as strategizing (strategy as practice), devoting our attention to micro-political actions and power games. In detail, we will examine three types of managerial power games in different areas: strategizing as innovation game, as project game, and as a routine game.

Setting the scene

Until recently, globalization was considered one-directional from developed to developing or emerging countries. This presented the opportunity to transfer sustainability standards from high-level to low-level countries – if insight, pressure, and regulations were strong enough to commit “northern” MNCs to their global responsibility. However, the business world has changed: the recent influx of MNCs from the “Global South” into Europe has gained ground (Hanemann & Huotari, 2015; UNCTAD, 2015). Recent years have been marked by a dramatic rise in foreign direct investment especially from China and Hong Kong, now second and third in worldwide rankings. Developing Asia has overtaken North America and Europe as a region with the largest FDI outflows (Figure 1), with China as the most prominent investor in Europe.

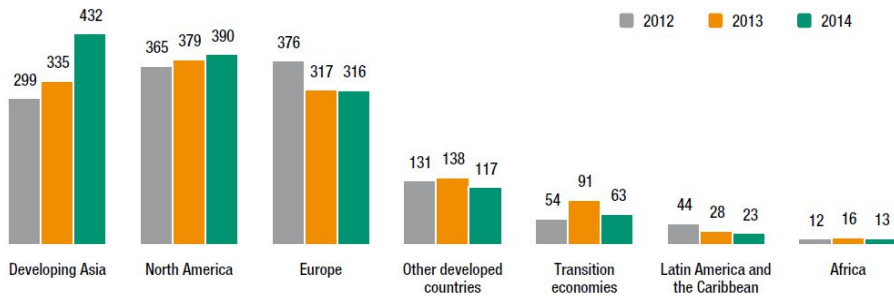


Figure 1. FDI outflows by group of economies and region 2012-2014 (billion \$)
(UNCTAD, 2015, p. 7)

These companies – and countries – have different traditions of ethics, respect for society and the environment than northern ones – if they have standards of sustainability at all (Mirza, Giroud & Wee, 2011). A look at the situation in their home countries, especially China, suggests that they are in a state of pure Manchester capitalism regarding environmental issues (e.g. EIRIS, Sustainable Society Index). Other countries lack human rights by western standards (Human Rights Risk Index; Freedom in the World). Milton Friedman (1970) and the Communist Party of China seem to share the opinion, that, “the social responsibility of business is to increase its profits” (Bowie, 2012; though this connection is disputed, e.g.: Nasser Appel, 2014).

The business system approach (Whitley, 2007), emphasizes the MNC’s integration into regional economic and business contexts. Whitley (2012) distinguishes three patterns of authority distribution: isolated, managerially coordinated, and cooperative hierarchies. Isolated hierarchies prevail in the Asia Pacific region. Here, power is highly concentrated, with top management taking all-important strategic and operational decisions and coordinating activities centrally. Top managers hesitate to delegate control, and if they do, decisions are transferred to family-related managers only. Control of subsidiaries is often supported by posting managers directly from the CHQ. The isolated hierarchy type of company is accompanied by a distinct internationalization and control pattern: with the tendency to exert direct, personal, strong control over all the company parts, the self-efficacy possibilities of individual branches are limited.

Accordingly, various authors claimed fundamental differences in the way business ethics are practiced. In their influential textbook, Crane and Matten (2015) summarize the discussion on business ethics with regard to the three key regions: Within East Asian companies, responsibility for ethical issues is left to the top management, government (that is especially true for China, see Nasser Appel, 2014) and corporations are main actors. Key issues are corporate governance and accountability at the managerial discretion, referred to as the “benign managerial model” by Parkinson (2003). This is a sharp contrast to the individualistic approach in North America or the European tradition of participation and social balance.

Despite large differences between Asian societies, most of these features definitely apply for China. There, SMNCs are often strongly influenced by their governments through both direct and indirect funding and control (Lu, Liu, Wright & Filatotchev,

2014), thus also exhibiting specific ownership structures. Social rights are implemented only selectively, and a clear distinction between formal and informal working relationships is regularly applied (Mirza et al., 2011; Nölke, 2013).

With increasing international integration, MNCs are facing the challenge of reconsidering their strategies and business processes by adapting to regional conditions while at the same time seeking synergy advantages. Furthermore, when organizations face a bunch of different and conflicting demands, arising both from operating single systems across different business and because of the legitimate demands of outside stakeholders on their practices, their situation will lead to tensions. MNCs are thus in need of a set-up in which organizing and strategizing are mutually reinforcing, creating organizing practices that are tailored to the demands of different strategic goals and strategizing practices that recognize the interests and identities of different organizational groups (Jarzabkowski & Fenton, 2006).

One possible solution available to large international companies is the establishment of RHQs, which occupy a middle position between CHQ and operating companies in a pyramid of ownership (Enright, 2005; Lehrer & Asakawa, 1999). By employing RHQs, MNCs try to address not only market and production needs but cultural and ethical differences on a regional level (Godiwalla & Damanpour, 2006). Practitioners and scientists developed various models to approach with these differences (e.g. Carrol, 1991; Donaldson & Dunfee, 1999; Enderle, 1995; Galbreath, 2006). Common to all these strategic considerations is both the call for a balance of home and host country ethics and the alignment of ethics to strategy and organizational structure.

This could open opportunities for the implementation of sustainable thinking in the European RHQs of SMNCs. Responsible for a number of branches – some located in high standard, others in medium-standard countries – RHQs can to a certain extent shape the strategic focus (Nachbagauer, 2016). Some might even hope that RHQs offer an effective transmission mechanism for advanced models of sustainability from high-standard countries to companies in regions with lower standards and less public pressure.

(Not) playing the game

In 2013, Zollo, Cennamo, and Neumann (2013) ascertained that there is abundant research on the “what” and “why” of sustainability in corporations, but significant knowledge on practices of more sustainable models in companies is missing. This is in line with the turn to strategy as strategizing and looking at micro-political actions. Following a suggestion by Hansen and Küpper (2009), we interpret strategizing as (power) games. Ortmann, Windeler, Becker and Schulz (1990) have identified three types of power games in different arenas of organizations: innovation games at the top level, project games at the middle level and routine games at the operational basis. We will identify the top, middle and operational levels with CHQ, RHQ, and branch, respectively.

Strategizing as innovation game: legitimacy, resources, and centrality

When turning to strategy as action and to micro-politics (Jarzabkowski, 2004; Pye & Pettigrew, 2006) the focus shifts from formal, written strategy papers drafted by top management to factual actions. In an MNC, the management of the central unit is responsible for a constant strategy renewal process – innovation games are thus meta-games that redefine new power positions and profit opportunities for other actors and units. Strategizing, then, is not mainly analyzing, calculating and deciding rationally, but is open to a battlefield of conflicting interests in “strategic warfare” characterized by dynamics and risk-taking, providing opportunities for lower positions in companies. In their significant literature synopsis, Bouquet and Birkinshaw (2008) have provided a conceptual overview of the power and influence of weaker parties in MNCs. They distinguish between three strategic objectives, i.e. achieving legitimacy, controlling resources and gaining centrality. Employing these objectives, even low-power units will gain influence on the CHQs’ decisions.

RHQs can try to achieve legitimacy especially by presenting a good record of accomplishment to CHQs and accepting the priority of top management decisions while at the same time not losing the acceptance of its subsidiaries and the respective regional stakeholders. This underpins the ambiguity of expectations an intermediate unit is confronted with. Smart managers will turn this uncertainty into a strategic resource: for instance, they can demonstrate the CHQ that following sustainability programs or CSR practices will pay off in a certain region. To this end, they will be in need of watertight business cases. Alternatively, more primitively, they will argue with the license to operate, to be embedded and legitimized, for which they require conformity with institutional factors and national business systems. Other regional managers may emphasize their role as spokesperson and representative of their subunits’ interests, exploiting the dual legitimacy objectives against each other.

Critical resources are the main issue in power relationships. In global and mature economies sourcing and markets have become more and more diverse, quickly outdated access to raw material, cheap labor or (large) customer markets. Today, subsidiaries use more sophisticated critical resources as an advantage, for example providing strategic (local) information and knowledge, coming up with innovative ideas and practice, providing specific technologies, expertise, and talent to headquarters, other regional units and subsidiaries. Adopting CSR or following sustainability claims could open up new relations, especially to young and highly educated urban milieus. RHQs possessing or having access to these critical issues will definitely gain power – if they manage to “sell” these complex and tacit sets of services to the company’s other parts.

The conception of RHQs places them in a middle position between CHQs and operating subsidiaries. Consequently, Bouquet and Birkinshaw (2008) estimate the centrality and thus influence of RHQs to be high. Centrality is always disputed, however. But power stemming from the position in the communication network is disrupted if the mother company offers a wide range of opportunities to meet and interact with central persons directly, i.e. by nominating representatives from branch level to central committees, allowing for annual strategic forums with the possibility of publicizing their achievements, pushing initiatives, and soliciting resources. Especially detrimental are power powerful corporate expats executing formal direct control (Harzing, 2011).

To sum up, we can see a certain especially indirect influence of regional units on headquarters' decisions, but relevance for the overall sustainability strategy will be limited. Hansen and Küpper (2009) emphasize that strategic initiatives need not come from top management but as they can be blocked by top management they need if not support then at least acquiescence from headquarters. Directly influencing the CHQ and challenging the status quo might be successful in managerially coordinated and cooperative hierarchies, but there are considerable doubts regarding the feasibility of this approach in isolated hierarchies. We thus enter micro-political tactics.

Strategizing as project game: micro-political tactics

Whereas the design of organizational adaptation processes remains the primary responsibility of the corporate office the introduction and enforcement of sustainability aspects in organizations is commonly left to regional units. At the implementation stage, the focus shifts from innovation games to project games, i.e. from managerial power strategies to micro-political tactics. Project games mainly are transmission games from top to operations and back again (Hansen & Küpper, 2009) – and this is exactly where RHQs are positioned in the structure of MNCs. According to Küpper and Felsch (2000) managerial power in organizations evolves between two poles of power relationships: cooperation versus competition. They define three types of management power in organizations: integrator, broker, and negotiator.

Integrator power arises at the intersection of cooperative power relationships and aims at uniting the interests of different units, thus initiating coalitions across departments and subsidiaries. Typical micro-political actions facilitate the group formation process, represent group interests to the outside and try to convince potential group members. Cooperation profits are based on stability but integrator power is endangered by extensive institutionalization. Thus tactics will favor a medium level of routinization, allowing for exploiting a certain degree of uncertainty.

SMNCs in Europe work in a setting that is characterized by cohesive and cooperative employment relations while at the same time being dependent on close links to local networks. Employees and units tend to have high skills and high hopes of involvement and consultation at the workplace (Morgan & Kristensen, 2009). They will be more likely to resist transfers of practices, policies and processes coming from headquarters – especially in the form of information shaping and collective resistance through coalition building comprising both internal stakeholders, such as RHQs and subunits, as well as external ones, such as suppliers and customers, legal entities and education institutions (Bouquet & Birkinshaw, 2008). These coalitions are in need of an identity-generating program, internally to underpin cohesion, externally to be presented to the CHQ as an alternative to prescribed frameworks. It is not unreasonable to expect that especially sustainability programs – nowadays widely accepted throughout Europe's political and business elites – or ethical practices embedded in the inner or near environment of branches and close to stakeholders, but far enough away from CHQs core believes could meet this need.

The power of brokers evolves at the intersection of competitive power relationships (Hansen & Küpper, 2009). The broker function is based on the ability to bring diverging interests together and to draw up positive exchange relationships between organizational units or between the organization and its environment. Typically, RHQs

are in the best position to establish broker power as they are positioned at particular points of intersection and coordination. In principle, brokers facilitate a partial exchange of resources and promote the interests of all units involved in the partial reduction of the alternately generated uncertainty.

Belief in the neutrality of the broker is vital; thus the slightest indication of having been captured by one party is detrimental – brokers are always under suspicion of colluding with powerful units. Brokers wanting to secure their specific power in this situation, therefore, tend to support the weaker party while at the same time trying to convince the stronger party to be endangered. However, support for the weaker party has its limits, as it is equally important not to lose the CHQ's acceptance. In fact, exerting broker power is to scintillate in the art of the prancing counselor of ambiguity. We have presented some tactical advice for smart managers in this situation when discussing legitimacy.

A frequently used means to impress allies and frighten dissenters is to raise potential threads of resistance or block behavior against cutbacks and exploitation interests – and as a side effect promoting a more long-term and caring attitude. Hence RHQs, eager to maintain their broker power, will support sustainability movements and ethical claims stemming from a high-level environment against the suppressing interests of the CHQ from a low-level environment.

Negotiator power couples the integrator and broker functions with partial collusion from the leader of an opponent unit. Therefore, it can originate from outside appreciation. Thus, if RHQs successfully manage to collude with either legal authorities or competitors' units in setting up an advanced and renowned sustainability program and at the same time show their devotion to headquarter standards and do not challenge overall strategy, they will gain negotiator power. Additionally, we can count on the resulting lock-in effect if initial actions go unchallenged: this effect makes a reversal of the once-landscaped path towards sustainability financially, culturally and psychologically more expensive. The "compulsion of the factual" (Fritz Morstein Marx) favors the (micro-) political position of autonomous offices and RHQs compared to their CHQs. Thus, a variety of small steps at the regional level can ultimately lead to a sustainable concept of sustainability.

Most regional headquarters of southern multinational companies are embedded into isolated hierarchies - we would, therefore, expect the enforcement power to be low. Nevertheless, regional headquarters are not without influence either. Regional headquarters will step in when it comes to the strategies' implementation in the form of projects. They draw their power from performing managerial functions, either by integrator or negotiator power and particularly stemming from broker power. All three kinds of power sources are heavily endangered by corporate expats in RHQs. Formal direct control can be traced and circumvent, thus especially expats exerting more subtle and informal control mechanisms are the true obstacles (Harzing, 2001).

Strategizing as routine game: disguising as adaptation only

Ambos and Schlegelmilch (2010) show that RHQs have much autonomy in decisions regarding regional production, such as changing the production process or building new production capacity, developing an existing product or product line, and

determining production outsourcing to subcontractors. This is where routine power games flourish (Hansen & Küpper, 2009): centered on day-to-day strategizing, they are oriented towards operational sub-goals.

Pursuing profit as ultimate goal of any enterprise, the differentiation between strategy at headquarters and operation in the branch is – at least partially – a way to deal well with the tension field of integration and adaptation. Especially in the area of sustainability, companies are regularly forced to accept this differentiation because national or regional norms, standards, and expectations are much more diverse than for example customer requirements and product safety standards. Furthermore, standards and regulations are generally not defined as strategic requirements but as a concrete demand for production, process or product.

Adaptation needs come naturally at early stages of dealing with sustainability expectations. All models of integrating sustainability into strategy start with (reactions to) problems and outside pressure. Most companies starting a business in high-standard environments will feel the need to face this issue – at least on the operational level. This opens up an opportunity to implement sustainability as “pure operation” below CHQ’s threshold of strategic perception. By using operations, and here especially knowledge management, RHQs are able to influence strategy indirectly – and thus to be particularly effective.

This move can be supported by sustainability legislation exerting constant gradual pressure. Slight modifications are more successful than large and sudden changes. With revolutionary changes, actions aimed at dodging sustainability requirements, such as relocations, can be more easily justified and enforced in-house. By contrast, the argument that one is merely complying with outside pressure to adapt to regional requirements and the possibility to justify this in the organization as purely operational or administrative adjustment without any strategic claim vastly increase the regional scope for decision-making.

Morgan and Kristensen (2006) describe the metaphor of boy scouts subsidiaries that follow the CHQ’s demands and do not go beyond their mandate. In the same vein, Bouquet and Birkinshaw (2008) label behavior that consists of yielding to the opinions, judgments and demands of CHQ as deference. While we will certainly find many RHQs and subsidiary managers exactly matching this description, especially in isolated hierarchies, we will also come across more proactive managers pursuing sustainability. To be clear on this, there is nothing wrong with being a Boy Scout manager: this could pay off personally, in terms of both career and recognition, as well as organizationally in terms of budget and centrality.

Delany (1998) illustrates the opposite behavior of boy scouts as subversive strategies. I will not follow this notion, as questioning the company’s strategic goals, in general, has a negative touch. Normally managers do not merely exploit company resources, and without a doubt, most managers will believe in good faith that they are acting in the company’s best interest – even if they oppose top management orders. What we can learn from the labor process debate (Burawoy, 1979) and eminent sociologists such as Crozier and Friedberg (1979) is that organizations are dependent on a permanent dialectic of control and consensus. Micropolitics in organizations can be

inter alia understood as a mutually fruitful arrangement to respect each other's fiefdom while at the same time pursuing one's own goals.

Brunsson (1989) goes one-step further and distinguishes between action – what really happens in the respective organizational production – and talk. The latter is concerned with responding to the inconsistent requirements of the environments and the organization's desire to maintain its legitimacy in the face of these requirements. We have previously given some hints as to achieving legitimacy and discussed the double bind in the RHQ's intermediate situation full of ambiguity. As subsidiaries are foremost controlled by a framework of benchmarks and capital transfers (Morgan & Kristensen, 2006) I want to stress again the need to present a credible record and plausible figures in line with the strategic provisions and operational targets, to enable the subaltern parts to pursue their own sustainability activism behind this veil.

To live up to these double standards, it is helpful to understand the CHQ's provisions in detail, to discern one's own room for maneuver and at the same time to get an idea of the CHQ's language, so that the barely sayable can be said. Bouquet and Birkinshaw (2008) provide us with three means to pursue these ends: co-optation is the tactic to bring influential outsiders into one's network; representation works the other way round, i.e. by having an advocate at the top management committees, either directly or – sometimes even more effective and reliable – via third parties. Both tactics bear the hope that these elites will provide the unit with useful informal information, expertise, and access to networks. The main road to truly understanding which areas are of importance and reducing uncertainty definitely is feedback seeking, either by monitoring headquarters utterances for helpful clues or by direct inquiry at the CHQ.

All tactics mentioned above share one major problem: in isolated hierarchies and especially in SMNCs we have to factor in the presence of expatriates. If nothing else, these managers are missioned to closely control and direct the subunit (Harzing, 2001). Some RHQs will try to collaborate and buy in these expats, even to proselytize them into sustainability. However, the odds of being successful are conceivably low given the expats' short-term assignments, career interests, personal network bindings and, not least, their mandates. Loyalties are with the home country, and "going native" is highly unlikely.

Nevertheless, boy scouts are sometimes more than humble and helpful folk. At a closer look, they may reveal a darker side of concealment and plots. Clever and witty, they will find more sophisticated ways to play tricks on the CHQ. Moves fitting isolated hierarchies best by accepting the strategic prerogative of the headquarters and exploiting uncertainty zones will have the greatest potential to promote sustainability from below. Appropriate tactics to mitigate close control might include but are not confined to (Neuberger, 1995):

- rationality: supplying information on exact plans, demonstrating own expertise;
- referring to approved and accepted standard procedures;
- use of projects: declaring projects as research or trial, step-by-step approach, starting small projects that get larger by and by;
- disguising: sailing under foreign flag; covering through approved programs or management decisions;
- white knights: participating in resistance, retreat and appearing as saviors in distress.

Further tactics include blaming others, externals or head offices, for failures and appropriating successes – knowing that heroes and scapegoats are primarily determined by senior managers who ultimately have the power to reconstruct numbers and interpret their meaning.

Routinely, subordinates' micro-political actions are seen as treason to company values, as questioning the authority of CHQ, or just as a spanner in the works of an otherwise perfectly functioning machine. However, it becomes increasingly apparent that searching for micro-political activities in RHQs might also provide CHQs with new insights. As Morgan and Kristensen (2011, p.1485) put it: "Conformity provides no long-term basis for survival and growth. [...] The head office cannot in the long term have both hierarchical control and performance."

Conclusion and ethical implications

We started by stating that we would not expect sustainability to be at the forefront of the strategic interests of SMNCs now sweeping into Europe. Alternatives would be needed to foster sustainability, and our search led us to RHQs, which have gained attention recently. We have interpreted managing as power games and examined three ways to promote sustainability despite lacking CHQ support.

First, we interpreted strategizing as an innovation game. Despite the odds of influencing the CHQ's strategy still being low, there are some opportunities for low-power actors when targeting the objectives "achieving legitimacy", "controlling resources" and "gaining centrality". RHQs will increasingly step-in during the implementation phase of strategies – we coined this project games. RHQs draw their power from performing managerial functions, either through integrator or negotiator power, or – particularly –broker power. Actors with sustainability interests inside the RHQ as well as the business environment exerting pressure play an important role then.

A third way to boost sustainability is by declaring it a mere adaptation to local needs. This is in line with observations that sustainability could ultimately be implemented as "pure operation" below CHQ's threshold of the strategic perception. We employed Brunsson's (1989) differentiation between talk and action to search for tactics and extended these ideas to sophisticated ways of playing tricks on the CHQ – mind you, all in the best interest of promoting sustainability.

Looking at strategizing (strategy as practice), we proved that the micro-political framework provides a helpful heuristics to find fresh ways out of the dilemma situation RHQs are trapped in when pursuing sustainability issues. On a more theoretical level, our considerations provoke ethical issues.

At the individual level, the question of motivation remains unanswered: Why should RHQ's managers be interested in pursuing sustainability beyond anything that "pays off"? Quoting Friedman (1970, p.126), a corporate executive's "responsibility is to conduct the business in accordance with their [owners] desires, which generally will be to make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom." Presenting

conformity pays off for managers in terms of career and recognition, and for the RHQ in terms of budget and centrality. Why then challenge CHQs standards and strategies? After all, if managers pursuing ethical goals and sustainability claims by maybe not so ethically sound practices get sacked, nothing is won for the case of ethics and sustainability. These questions clearly refer to the discussion of Corporate Citizenship.

How to assess following double standards? Is Brunson's "hypocrisy" ethically sound? In other words, is the means "micro-political actions" justified by the end "high local ethical responsibility"? All considerations on both individual and organizational (i.e. RHQs) level are deeply rooted in the instrumental paradigm of ethics, but, though rare, I do not neglect ethical acts of conviction in organizations. Alas, in a modern, rationalized society (Max Weber), interest-oriented, instrumental behavior in and of organizations proved to be more stable, predictable and widespread than pure altruistic or philanthropic actions based on undisputed universal norms.

Identities and actions as social discursive constructions are dialogical and situational, especially when confronted with diverse work situations (Wright, Nyberg & Grant, 2012). Managers are more flexible regarding their action and believe than the classical role theory or comparative cultural studies claim. Especially managers in hierarchical business situations have to adapt to constraints. Furthermore, narrative and action coherence is simply not important for most managers in their day-to-day business (Allen, Marshall & Easterby-Smith, 2015). Thus, being flexible is not flip-flopping, but smart use of situational factors, At best drawing on ethical issues, are conceived as valuable political resource – and managers are invited to be more daring.

On a societal level, we could question the global validity of ethical norms. In fact, sustainability and CSR are concepts based on northern and western ethical considerations and experiences, and the embeddedness of concepts and practices into the European American national cultures and national institutional arrangements is gaining importance (Fransen, 2013). Looking more closely at the behavior of "northern" companies in the "global south", results are disappointing, or at best mixed. NMNCs often do not only take advantage of economic issues of southern countries, but increase their problems, and they are esteemed no better than SMNCs (Khan, Munir & Willmott, 2007; Mária & Devuyt, 2016; Wiig & Kolstad, 2010).

Thus bluntly pressing for sustainability, CSR and ethical practices beyond a small common global standard is likely to be understood as "westernization" or "new imperialism". Just China, a large state-organized business system becoming more and more assertive, will emphasize its own tradition of ethical standards, while still failing to adopt the social and ecological pillar of sustainability by western interpretation (Bowie, 2012). Others – mostly oil-producing countries like Saudi Arabia – seem to have an ethical wild card, while western companies and states ignore the fact that they are a major violator of human rights and are quite unapologetic about it. Without a doubt, recent tendencies of re-traditionalisation in the Islamic World – a market of 1.6bn – will undermine attempts for a common understanding of ethical standards.

I do not hesitate to admit that this paper is full of limitations. One could argue against the theoretical grounding in micro-political organization theory, others will object to the selection of literature and concepts. Some arguments may be too straightforward and zebra thinking. SMNCs are definitely depicted only in broad-brush manner,

without touching the vast diversity of real-life business. In addition, I just touched the vast discussion of ethics in business. Admitting to all these challenges, I nevertheless maintain the central claims. One limitation has to be added, and I do think this is the most significant one: the empirical proof is missing. This criticism is an invitation to interested researchers including myself.

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