Micro-political processes in a multinational corporation subsidiary: a postcolonial reading of restructuring in a sales department

Abstract

What shapes micro-political contest in the subsidiary of a multinational corporation? We use observational and interview data from a Pakistani subsidiary of a global company to address this question. We trace debate surrounding the entry of modern (self-service) retail through multiple voices. Following postcolonial theory, we show how top management create a narrative that combines the progressiveness of modern retail with the locally salient discourse of izzat/honour. We examine how the hybrid narrative defines the terrain and terms of micro-political contest for all others in the subsidiary. Our analysis shows how some workers adapt this hybrid story to support their interests, whilst the attachment of izzat to the modern restricts the possibility of resistance for others. We examine how the narrative enables the establishment of an elite and a dominated group. We argue that the subsidiary is a specific site of micro-political struggle where both geo-political factors and relationships with other parts of the multinational corporation shape micro-political processes.

Keywords:

Power, Postcolonialism, Identity, Discourse, Pakistan, Modern Retail, Multinational subsidiary, izzat.

Introduction
Recent research has taken a broad view of power, attending particularly to its invisible and anonymous forms, to illuminate the complexity of power in the multinational corporation (MNC) (Geppert and Dörrenbächer, 2011). At the macro level, relationships within the MNC are framed by broad geo-political power relations and by historic, often colonial, patterns of domination (e.g. Boussebaa et al., 2014; Vaara et al., 2005). The multiple operational contexts within the MNC also give rise to differences in norms, values and institutional environments that support diverse logics or rationalities and provide different sources of legitimacy (Geppert et al., 2003). Power operates in the negotiation of these differences and in the transfer of practices from the headquarters and their application in subsidiaries (Clark and Geppert, 2006; Geppert and Williams, 2006). Power operates also through the discourses actors use to make sense of organisational life and negotiate and contest change (Clark and Geppert, 2006; Geppert and Williams, 2006). This complexity gives rise to a politicised view of the MNC which Morgan and Kristensen (2006, p. 1473) describe as “a totality (which) may be seen as a highly complex configuration of on-going micro-political power conflicts at different levels”.

Studies of power have focused primarily on international relationships within the MNC and on power conflicts amongst managers, either in the headquarter-subsidiary relationship (e.g. Dörrenbächer and Gammelgaard, 2011; Vaara et al., 2005) or amongst subsidiary managers of different nationalities (e.g. Koveshnikov et al., 2016). Authors have called for further research involving a spectrum of MNC stakeholders beyond managers (Dörrenbächer and Geppert, 2009) and advised that we pay attention to the ‘rim’ (Blazejewski, 2009) in order to address an assumed homogeneity and better understand heterogeneity within the units of the MNC (Bjerregaard and Klitmøller, 2016; Frenkel, 2008). Research within the subsidiary unit would recognise that actors occupy different immediate social spaces, have diverse and possibly conflicting interests and
deploy multiple institutional and cultural resources in different ways (Bjerregaard and Klitmøller, 2016; Ferner et al., 2005; Frenkel, 2008). Research that has included a broader spectrum of participants demonstrates the relevance to the politics of the subsidiary of those factors utilised in political struggle across the national units of the MNC. Diverse subsidiary actors navigate international and local institutions (Ferner et al., 2005) to interpret immediate contexts differently. Some actors locate themselves more firmly within the local than do others. They apply conflicting rationalities to pursue different interests (Blazejewski, 2009). They experimentally interpret rules, roles and identities (Blazejewski, 2009) and they appropriate and define the international and the local according to the matter at hand (Ailon and Kunda, 2009). Yet, relatively little work has focused primarily on power and relationships in the subsidiary or sought to explain the particularity of power within the subsidiary through the links between this context, the MNC and broader geo-politics. Our objective is to enhance understanding of the MNC as a complex totality of power (Morgan and Kristensen, 2006) by exploring the operation of power within the subsidiary, recognising the particularity of the subsidiary context in its relationship to the meso (MNC) and macro (geo-political).

Postcolonial theory offers an apposite lens to examine power in the MNC subsidiary. This is because postcolonial theory insists on analytic movement between the micro, the meso (e.g. MNC) and the macro (historic and geo-political structures). For example, organisational scholars argue that western capitalism’s domination of the global south is related to persistent colonial educational structures (Jhatial et al., 2014), the spread of an international management education (Alcadipani and Caldas, 2012; Westwood and Jack, 2008) and western management practices (Nkomo, 2011) and to the use of the English language (Boussebaa et al., 2014). The notion of a local ‘comprador’ management elite that is both created by and required for western dominance (Boussebaa et al.,
2014; Varman and Saha, 2009) helps to explain how global influences gain importance in the local context. The comprador translate between the global and local and act as the agents of multinational capital while disciplining the periphery (Varman and Saha, 2009). However, the comprador remain distinctive from western managers (Srinivas, 2013) and can be ambivalent towards the theories and practices of western management (Yousfi, 2014) and have difficulty navigating identity across workplace and local contexts. The comprador are distinctive too in the local context due to their cosmopolitanism and relative mobility (Clark and Geppert, 2011).

We apply a postcolonial lens to explore micro-political conflict in a Pakistani subsidiary of a fast-moving consumer goods MNC (referred to through the pseudonym FmcgCo). We conducted the research at a moment of particular significance for the subsidiary – around the time of the market entry in Pakistan of international retailers and wholesalers – and our empirical work focuses on the micro-political struggle that this provoked within the trade sales department. Firstly, we elaborate key ideas from postcolonial literatures that are germane to the power conflicts in our context and allow us to refine our research questions – notably the concept of the third space and the roles of mimicry and the grand narrative of progress. In the second section, we use literatures to outline the global and local discursive resources that are central to the operation of power in our context – the grand narrative of progress built around modern retail, and the locally salient discourse of izzat (honour) in Pakistan. We turn then to the empirical work, discussing our methods before presenting our analysis. In our discussion, we consider three areas: the operation of power through the blending of discourse, the role of the plasticity of izzat in allowing participants to pursue their interests and the specificity of the subsidiary as a site of micro-political activity.
A postcolonial lens

The postcolonial perspective highlights the on-going significance of historic encounters on the relations between countries and peoples (Prasad, 2008). Organisational scholars adopting this perspective to provide a critical explanation of “how control, exploitation and patterns of domination and submission are operationalised” (Prasad, 2014, p. 235) in western capitalism’s relations to the global south (Khan and Koshul, 2011). A key departure point in postcolonialism questions the essential character of those features that are taken to differentiate nations and peoples. Edward Said’s (2001) influential work on orientalism demonstrates the structuring effect of persistent associations of the West (rational, modern and progressive) and the Global South (backward, traditional and primitive). Importantly, postcolonial theorists explain these associations as constructs that are (re)produced in a narrative that constitutes difference rather than reflects difference (Frenkel, 2008). Yet, the continued telling of such characterisations enhances their currency and marginalises alternative renditions so that we must question how ‘culture’ is invoked and legitimised to (re)produce distinctiveness (Dar, 2014). From this perspective, culture is seen as “diffuse and heterogeneous, mutable, negotiated and infused with contestation and power relations” (Jack et al. 2008, p. 875). We should look for power in how the cultural is defined, to what consequences and in whose interests (Özkazanç-Pan, 2008) when culture becomes a resource in negotiating identity and status (Ailon-Souday and Kunda, 2003; Koveshnikov et al., 2016).

Orientalism has been criticised, most prominently by Bhabha (1990), for overly determining the link between coloniser and colonised, thereby totalising subjugation of the colonised and overlooking variation within each group (Jack and Westwood, 2006). Bhabha (1994) therefore offers the concept of ‘the third space’ in which identities are actively negotiated and carved out by juxtaposing, translating and re-working cultural repertoires so that new positions emerge (Shimoni
Apparent closure occurs where aspects are learnt and performed (Frenkel, 2008), but lack of closure implies that there are sites where identities can be refused and narratives can be contested (Özkazanç-Pan, 2008). The third space is important to a study of micro-political process since the third space opens the possibility for subversion, resistance and envisages power relations as ambivalent, continuously negotiated and never fully settled (Jack et al., 2008). Attention to active contestation in the third space reveals power relations and the continuous work that is involved in producing or sustaining them (Frenkel, 2008).

Nevertheless, the possibilities offered by the third space are constrained and shaped according to geo-political histories, privileged narratives, discourses and ‘mimicry’. These features help to explain how the colonised is disciplined and becomes complicit in relations that limit their agency (Boussebaa and Brown, 2017; Varman and Saha, 2009). Constructed ‘facts’ outline how groups are to articulate and know themselves in particular ways and as homogeneous groups (Özkazanç-Pan, 2008). One potent vehicle in the construction and transmission of ‘fact’ is the grand narrative of (western) development, progress and improvement (Cooke, 2003). The developmental promise of such a narrative places obligations of participation on both the coloniser and colonised whilst proscribing the nature of the relationship between the two (Jack and Westwood, 2006). Development for the colonised involves the adoption of western practices and mimicry of the western ways of being that are narrated as ways of overcoming backwardness. However, mimicry is only ever partial and its imperfect outcome has the effect of sustaining international structures and hierarchy – the colonised becomes “almost the same but not quite” (Bhabha, 1994, p. 89).

The concepts outlined here have proved valuable in explaining the domination of western business ideas and practices and relating the spread of such ideas to the politics of local contexts. Firstly, the narrative of progress validates western management practices, theories and education and
legitimises their transfer across geographies (Alcadipani and Caldas, 2012; Boussebaa et al., 2012; Fougère and Moulettes, 2009) whilst being a power resource for those involved in their implementation. Secondly, the hybridity of the third space enriches understanding of how workers construct and contest identity by combining global and local elements. Yousfi (2014), for example, shows how managers’ mimicry of the global blends with an attachment to the local to produce an ambivalent stance that both resists and adopts the global. Ailon-Souday and Kunda (2003) find that the selective application of transnational and local ideals enables management. Other workgroups display similar hybridity. Indian call centre operatives, for example, blend the global and local in fluid ways to make sense of the self in the different spaces of work and home (Mirchandani et al., 2012) whilst the inadequacy of their mimicry is highlighted in (phone) encounters with the West (Boussebaa et al., 2014). Collectively these insights demonstrate the influence of the global and the macro-political across the multiple contexts of the MNC and show how these influences are combined with local resources in active and creative identity work to influence and resist within the micro-politics of the subsidiary (Ailon and Kunda, 2009). Previous work using a postcolonial approach therefore guides our attention to several questions that allow us to explore the micro-politics of the subsidiary. How does grand narrative inform activity in the subsidiary, how it is applied and resisted? How are the global and the local deployed within the third space of the subsidiary, what hybrid identities emerge? How do the meso and macro contexts of the subsidiary influence the micro-politics of power in the subsidiary?

**Global and local narratives in the context of FmcgCo**

In order to develop a fuller background to our study we introduce here the two aspects of the global and local that are fundamental to political contest in our study. Frenkel (2008) suggests that research should follow and dissect debate in order to understand heterogeneity and contest in the
subsidiary. In our research, the entry of multi-national retail corporations (Makro, Metro and Carrefour) to Pakistan provoked debate. This entry signalled the commencement of large-scale ‘modern retail’ in the country. For the MNC in our research, FmcgCo, this exogenous event was very significant for the trade sales department because it meant that they now had a new breed of customer with different requirements. Before we present our research, we therefore look at two sets of discourse germane to the debate, one global (‘modern retail’) and the other local (‘izzat’/honour).

Modern retail in the narrative of progress

In both academic and industry speak, in the West as in Pakistan, the terms ‘modern’ (sometimes also termed ‘organised’) and ‘traditional’ distinguish self-service stores from those in which shoppers are served by the shop-keeper. These terms already position self-service within a grand narrative of progress. A brief review of its history demonstrates how that narrative, with its western civilising mission and essential characterisation of resistant locals, underpinned the expansion of modern grocery.

Self-service grocery originated in America in 1916 and was disseminated rapidly across multiple sites through the development of grocery chains. The tellingly titled trade journal ‘The Progressive Grocer’, first published in 1922, aimed to modernise small independent retail businesses and retail rapidly became understood through the contrast between the innovative and modern and that which was conservative and dated (Cochoy, 2015). Tesco and Sainsbury’s brought the modern concept to the UK some 30 years later and as a direct result of their participation in trade missions that had been organised by the government in an attempt to modernise and revitalise the post war economy (Bevan, 2005). The tethering of self-service to progress and modernity persisted as once unfamiliar
styles of retail became naturalised in other western nations. Hence, by the 1970s it was the extraordinary character of the traditional that merited remark, as illustrated here through Goldman (1974) writing in the leading disciplinary *Journal of Marketing*. Goldman identified a civilising mission for marketing within international development, most particularly in the modernisation of urban food retailing systems (Goldman, 1974). The poor would “reap the benefits” (Goldman, 1974, p.9) of modern retail but its expansion required that they “change basic shopping habits” and the project faced the obstacle of locals' “(in)ability... to project themselves into unfamiliar situations – empathy – was generally found to be low” (Goldman, 1974, p. 11).

Barriers were overcome and modern retail was widely established globally, often through western MNC investment. This, however, had not been the case in Pakistan where the distribution of fast moving consumer goods operated through a network of distributors (300), wholesalers (10,000) and retailers (80,000) (Aman and Hopkinson, 2010). Retailers operated from small premises, often kiosks, as unfamiliar to many in the West now as self-service must have been to Americans a century previously. Nevertheless, several Walmart teaching cases were used when one of the authors studied at a prestigious Pakistani management school in 2001, while nothing was taught on traditional retail.

*Pakistan and the discourse of izzat*

The Islamic Republic of Pakistan was created within the former British Indian colony in 1947. Social life in Pakistan is regulated within a highly developed system of kinship ties and mutual obligation (Islam, 2004) alongside a system of elites. The elite system, though predating colonial times, was institutionally embedded in the Indian administration and military in the colony (Jhatial et al., 2014) and is retained in these important arms of the state. The combination of a relatively
formalised elite and the dense network of kinship ties accounts for the high levels of power distance and collectivism that researchers, following Hofsted, find Pakistani organisations (Islam, 2004). This combination is also manifest in sifarish (literally translated as recommendation or connection), which has been studied due to the role that social contacts and patronage play in recruitment and in the close social circles of the organisation (Khilji, 2003; Nadeem and Kayani, 2017). Sifarish is, however, more prominent in analyses of nationalised industries rooted in the military complex (Khilji, 2002, 2003) than in analyses of the MNC (Islam, 2004). From a postcolonial perspective, interest lies in how and with what consequences cultural ‘traits’, such as hierarchy and collectivism, are locally performed and contested.

One enduring legacy of colonialism is the bifurcated education system that produces and reinforces Pakistani class structures. The elite attend westernised schools with English language tuition whilst others can access government schools with instruction in Urdu. The tiered educational system “reproduce(s) structures of class domination and their ideological justification” that subordinates and reinforces the marginal position of some classes and minorities (Seymour-Smith, 1986, p. 90). The introduction of management education and specifically the MBA qualification has extended and revitalised this stratification. The most prestigious Pakistani MBA programmes are modelled on the Harvard system and international programmes require English fluency. Less prestigious institutions also offer management education and teach in English, often supplementing this with Urdu. This linguistically marked divide creates an elite (Fougère and Moulettes, 2009) sustained through the new social collectives of alumni networks and reproduced in the structure of MNCs where English language competence is particularly salient. Higher managers are mostly westernised, with fluent English and a prestigious MBA; those less privileged in their language and educational background occupy other roles. The social groupings of the MNC and alumni
networks remould and express longstanding ‘cultural’ aspects including hierarchy and collectivism.

*Izzat* is an Urdu word of longstanding significance in Pakistan and with etymological roots in Arabic and Persian where “izzah” meant ‘glory’. As such, *izzat* shares some historic and cultural terrain with *sharaf* and *aziz*, concepts that Yousfi (2014 p.399) located as a shared framework of meaning that underpins Tunisian understandings of “the proper way to live and work.” *Izzat* takes on a myriad of meanings and nuances in Pakistani social life and, though conveniently glossed as honour, “is central to a whole complex of emotionally charged values including honor, respect, reputation, shame, prestige, and status” (Dusenbery, 1990, p. 242). Cheesman (1997, p. 99) explains that “maintaining *izzat* is a driving motivation for vast numbers of people, from all communities and classes and in every walk of life.” Thus, *izzat* is a keyword (Williams, 1976), a culturally prominent term with a rich lineage yet capable of carrying multiple meanings which are more or less subtle in their distinction and indicate contradiction and contest. Keywords are interesting because they demonstrate the plasticity of language. Keywords’ ambiguity and lack of resolution (Davenport and Leitch, 2005) allows them to be subtly remolded to facilitate the development of coalitions in favour of particular interests (Jarzabkowski et al., 2010).

*Izzat* is widely studied in broader social sciences as a South Asian concept that shifts fluidly between individual and collective domains and regulates the behaviour of individuals, families and communities (e.g. Bhatti, 1999; Shaw, 2000). For example, *izzat* is widely applied to family honour where it is particularly carried by women (Roomi and Parrott; 2008). Yet, *izzat* shifts also to the domains of international politics and defence in right wing, military rhetoric (e.g. Cohen, 2004). The latter context demonstrates how *izzat* inculcates coalition through the spirit of “collective honour” and “kinship” (Lieven, 2011, p. 15) providing a platform that unites Pakistan
against “the Other” (either India or the West). In seeing izzat as a potent discursive resource we are interested in how appeals to izzat are used to support and resist global discourses of modernisation and (re)constitute social relations.

Methods

At the outset of our research, we were interested to understand the effect of the entry of MNC retail organisations on the structures, identities and practices in retail channels, using FmcgCo as our focal company. Our approach combined observation with interviews and included multiple participants both within FmcgCo and their retail customers. This multi-method approach has been effective in illuminating the practices of the MNC (e.g. Bjerregaard and Klitmoller, 2016) and demonstrating the diverse ways actors experiment as they negotiate the third space to make sense of events and of themselves (Blazejewski, 2009; Sliwa, 2009; Yousfi, 2014). This was the case also in our research, where from our inductive approach we identified ‘modern retail’ and ‘izzat’ as key discursive resources, being combined and configured in various ways, within the micro-political struggle in FmcgCo.

We collected the data was collected in two tranches. In November 2008 six interviews were conducted with senior management in FmcgCo’s Karachi headquarters, including the Pakistan CEO, Marketing Director, Sales Director and Head of Trade Marketing. The loosely structured interviews encouraged free expression of experiences and much of the talk revolved around the entry of international modern retail, its implications for FmcgCo and its likely reception within Pakistani lifestyles. The researcher also attended the annual sales conference in this period. Members of the organisation were discussing possible restructuring during this period.
On re-entry to the field early in 2009, the restructuring and the creation of the modern sales team had taken place. We enlarged our data collection and both observed work and conducted interviews in the five cities of FmcgCo’s operation – Karachi, Lahore, Multan, Rawalpindi and Islamabad – involving 6 employees from the newly created modern sales team and 10 from the traditional team. Observations involved accompanying individuals through their day and routines and included therefore customer visits, working lunches and car journeys. The researcher expanded field notes on the observations at the first opportunity.

The interviews we conducted during the observational period were conversational in tone, generally lasting 60-90 minutes. Inevitable ‘interruptions’ shed light on aspects of the interviewees’ work and provoked interesting subsequent conversations. The interviews encouraged the telling of stories and these addressed the themes of modern retail, its role in Pakistan and, for many, included the impact of international retailers and the structural change in FmcgCo on their careers and on their relationship to the MNC more broadly. The interviews were conducted in English, Urdu or some combination according to the lead established by the participants.

Previously (2001-2007), the field researcher had worked for several FMCG multinationals in Pakistan and was recognised in the sector. This experience sparking an interest to study the effects of MNC retailer entry and also was crucial in gaining open access to a variety of activities and meetings that benefited the qualitative, mixed method approach. So, the data was collected by a Pakistani citizen, holding an MBA from a leading Pakistani business school and pursuing research in a UK business school. Clearly the research itself was diffused with and deployed the cultural elements previously identified – hierarchy, collectivism and sifarish. Research participants would tend to associate the researcher with the modernisation perspective because of his background.
However, his broad prior experience also equipped him with the perspectives and trade knowledge to ease participation across the multiple areas of the business. Fluency in English and Urdu enabled communication at all levels of the hierarchy and in the language of choice. Top management tended to combine English with fragments of Urdu whilst Urdu dominated other interviews. Styles of dress adopted also reflected the contexts of the research, as seemed appropriate to the context, yet also with the aim of alleviating the distance that might shape interactions. The maintenance of balance between ‘insider’ and ‘outsider’ status (Merriam and Tisdell, 2016; Taylor, 2011), a difference also evident in moving between observation and interview, whilst emphasising common ground, presented challenges. However, the somewhat hybrid status of the researcher facilitated data collection and the different nuances within the resultant data allowed us to explore the contradictions and similarities within and across participants.

Data Analysis

The data comprised field notes and interviews. The latter were transcribed and simultaneously translated where applicable. The original recordings were retained so that the precise language remained available throughout the analysis and could be revisited by the researcher and bi-lingual colleagues. Pseudonyms were used to protect the identity of the organisation. We followed two stages of analysis. Firstly, we created group narratives (following Brown, 1998). Secondly, we used closer discourse analysis (following Abdallah and Langley, 2013; Yousfi, 2014 to gain a more nuanced understanding.

The initial stage of narrative analysis used repeated iterations between text (transcriptions and field notes) and context to locate and code the data that interpreted the past (before modern retail), present and projected future. This allowed us to construct group metanarratives (Brown, 1998).
Metanarratives demonstrate different narrative logics and expose tensions within the subsidiary; they tend to be somewhat reductionist and either romanticise the past or glorify the future (Sliwa, 2009). We were particularly interested in how the metanarratives intersected to indicate informal coalitions and oppositions in the subsidiary.

The second stage aimed to provide a more nuanced understanding that moved beyond reductionism by using discourse analysis to explore how social and organisational realities are constituted (e.g. Abdallah and Langley, 2013; Yousfi, 2014) within and across the groups. Continuous movement between text, context and theory helped us explore the interplay between the data and the culturally shared frames of meanings. For example, top management’s repeated use of izzat in association with modern retail was compared with other uses of terms associated with izzat in our data and with texts elsewhere addressing these themes. Similarly, we moved iteratively between our emergent analysis of the data and theories of power, focusing especially on the postcolonial theories that we have previously discussed.

**Analysis: Discourses of modernisation and izzat in FmcgCo**

*The top managers and their narrative*

The top managers in FmcgCo’s subsidiary are all Pakistani nationals who attended English speaking schools from kindergarten till MBA (all held an MBA either from within Pakistan or internationally). Top management were also members of social clubs, often paid as business expenses in Pakistan, where they attended events such as the gymkhana and met up with their equivalents from other MNCs. We look initially at how this elite group at the top of the subsidiary situate modern retail in contemporary Pakistan and then how, for them, modern retail enabled a new identification for the subsidiary within the MNC.
From the elite perspective of top managers, the narrative of Pakistan is one of cultural change, development and acceptance of new lifestyles. This group evidence the change in Pakistan by contrasting the ‘past’ with the conspicuous consumption and public commercial spaces of multinational business in contemporary Pakistan. Their metanarrative reformulates social approval and reframes the components of izzat to the context of conspicuous affluence and an appetite for international experiences. Pakistanis (without qualification) are now globalised individuals:

A few years ago family dinners at restaurants were frowned upon. People thought that the lady of the house does not know how to prepare a meal at home. But now it is difficult to find seating there at KFC on Saturdays ... eating out with family has now become a status symbol (Director of Marketing).

Pakistanis want to get the ambiance of an international outlet ... Now people can afford to get entertained and have an international lifestyle (Director of Marketing).

For FmcgCo the crucial aspect of such change lies in shopping behaviours and izzat authorises and legitimises the popularity of modern stores. The following extract echoes Yousfi (2014) in relating izzat to the dignity and respect of the individual accorded by modern retail. The transparency of self-service makes shoppers less vulnerable to commercial exploitation.

Things are changing in Pakistan. We now have stores where people can shop with izzat (dignity and respect)....People want to shop at big supermarkets because they are sure that they will not be short changed.....They will get number 1 quality (not counterfeit), they will get to sort their fruits and vegetables and (weighing) scales will be correct” (Director of Sales for Pakistan).

Thus, traditional or disorganised retail has denied dignity to shoppers and stood in the way of the realisation of a modern lifestyle. The narrative therefore moves beyond using consumption as a
signifier of the modern to more fully integrate the ‘cultural ideology of consumerism’ (Sklair, 2001 p. 288) and brings the marketing discourses and rhetoric of western business schools and textbooks to bear. Modern stores liberate the sovereign consumer who commands and demands respect in commercial exchange.

Top management combine discursive resources in making modern retail a narrative of progress. Elements from the broader discourse of progress – consumerism, affluence and globalism – blend with local discourse, exploiting the plasticity of izzat and reframing what confers honour, so that modern retail is naturalised in the local as a desirable mode of shopping. One can be a better Pakistani, against Pakistani tradition, by adopting the modern way. This blend reconciles competing rationalities to create a coherent narrative that can be the basis of action.

It is worth remembering that, despite the confidence that top management demonstrated in modern retail, the penetration of modern retail in Pakistan remained low (2-4% grocery market share in urban areas at the time of interviews) and its future prospects were open to question. Indeed, other groups in our broader sample contested the narrative. The traditional sales team, for example, question the engagement of lower socio-economic classes with modern retail and international brands, their access to transport and to the financial means to purchase goods in larger quantities. However, just as had been the case in the narrative of modern retail in other contexts, the top management in Pakistan created a narrative in which even poor consumers can “reap the benefits” (Goldman, 1974, p. 9) of modernity and izzat became the rationale to loosen “social and cultural attachment to the local shopping environment” (Goldman, 1974, p. 9). This rationality undermines and marginalises counter narratives.
Top management also deployed izzat with respect to their relationships with the broader MNC. Notions of shame were evoked frequently in descriptions of the traditional retail of Pakistan and in how the local appeared to others in the MNC. The National Trade Marketing Manager discussed the upcoming visit of the head of the Middle East region and, despite the significant sales going through ‘Jodia Bazaar’, asks: “Would I look nice taking them to the filth of Jodia Bazaar?”

The same shame emerges for the Director of Sales in a regional meeting: “Last week I was at a Sales Directors’ conference in Dubai. Everyone put up their sales slides ...everyone had the portion of modern sales 20%, 30% or more... And I was like hiding my face”.

The entry of modern and international retail enhanced izzat and status for Pakistan and for the subsidiary within the MNC. Comparison with India (where international retail investment was restricted) evoked the nationalistic domain of izzat: “With Makro and Metro already here and Carrefour coming in shortly, we are actually quite ahead of India” (Director of Sales).

Not all subsidiaries are equal or similarly positioned to the centre (Boussebaa et al., 2012) and the entry of international retail, however limited, signalled entry for the subsidiary to the global network of sales and distribution encompassing multinational brands and multinational retailers and wholesalers. This was seen as a step change with considerable potential consequences for top management (and others, as we shall discuss later). Now management in Pakistan could develop marketing programmes and practices similar to those used elsewhere. They would, for example, have opportunities to become directly involved in in-store marketing and brand presentation to the shopper with “the opportunity to display the products better on the shelves” (CEO Pakistan). Fluency in English language and MBA education theoretically made the head office management attractive talent for international relocation. There was widespread reference, as if shared and

18
common knowledge, that Pakistani operations had been identified as a ‘talent pool’ for global operations. However, in practice, the lack of experience in the techniques of ‘developed’ markets, that they experienced as shameful, had restricted their movement to developing markets. For ambitious individuals, the modern trade would enable inclusion in the global management elite in the MNC. Therefore, as top management tether Pakistani cultural change and new organisational contexts and practices to a narrative of progress, this has significant implications for Pakistan within the MNC and serves the interests of top managers – and those selected to work in the modern trade.

*Restructuring the sales department: episodic level power*

Previously the sales department had a single structure, tasked to sell goods to the complex and fragmented extant FMCG retail channels. Following the arrival of Makro and Metro, however, top management decided to add a modern team. The traditional team was geographically organised and regionally based. The modern team was organised around customer accounts, it was located in Head Office and consisted of Head of Key Accounts, three Key Accounts Managers, six Key Account Executives and Merchandisers.

This restructuring decision had power effects within the organisation – visible through geographic locations, job titles and functions, role occupants and resource allocations, all exacerbated by perceived competition between the two channel systems. That is, as products were shipped directly to Makro, Metro and eventually Carrefour, this was seen as reducing quantities the traditional team could sell. The traditional team felt this keenly because the modern trade focused on populous cities, taking sales in crucial and growing urban areas (Aman and Hopkinson, 2010). The modern
and traditional staff had very different identifications and tensions emerged as each defined itself in relation to the other.

The modern sales team is the face of the future in the top management’s narrative of progress. The visible application and assertion of power saw the entire modern sales force located in head office, now sharing space previously occupied by the traditional sales force only. The modern sales team reported directly into the Sales Director through the Head of Key Accounts – in contrast to the regional reporting structure on the traditional side. Co-location and the reporting structure opened connections and facilitated networks denied to the traditional team. The modern sales team, as protagonists in the narrative of progress, was allocated sizeable in-store advertising budgets for product display. The traditional team had more limited resources due to the lack of retail display space and the lesser relevance of shopper choice outside a self-service context. The use of budgets and the interaction of the modern and traditional systems became a source of concern. Traditional sales staff commonly reported on the occasional misappropriation of the display budgets to discount products in pursuit of sales’ targets, with the tacit approval of the senior sales management. The traditional team perceived this tactical discounting as directly damaging the traditional channel and their own ability to achieve targets.

“Hanky panky in their (modern sales team’s) in store advertising budgets is quite normal. They use these moneys to lower the rate in the market. With massive discounts coming their way, Makro and Metro sell the products at a lower price in the local wholesale and disrupt the prices” (Area Manager, Lahore).
The perception that the traditional team was losing out to the modern team through price manipulation was all the more contentious since the traditional sales managers had to consult the modern sales managers in planning local sales.

In these ways an elite emerged with superior resources that put them in a position to access further resources. The elite are depicted as having a voice with, and support from, top management. This contrasted to the traditional team who became relatively voiceless and had to defer to the elite for approval of their marketing tactics whilst competing with the elite for market share. The separation and hierarchy are discursively sustained through different vocabularies, demonstrated, for example, in job titles and work activities. The ways in which the two groups were differently identified (re)produces the structural legacy of colonialism through English and Urdu oriented groupings, as we shall demonstrate.

*The reconstruction of identities and subjectivities*

The bifurcation of sales channels created differentiated identities for sales staff yet *izzat* was used also to negotiate a collective identity and shared interest. This was apparent through observation of several meetings involving traditional, modern, or both teams. We commence in the annual sales conference, in which top management present the sales and financial goals to both traditional and modern sales teams. The Sales Director deploys *izzat* to emphasise the opportunity that modern retail brings to the subsidiary and the importance of meaningful engagement with these retailers: “*By dealing with Makro and Metro hamari izzat will improve internationally*” (Director of Sales).

The phrase ‘*hamari izzat*’ (meaning ‘our’ *izzat* or ‘collective honour’) was used frequently while referring to the subsidiary’s relationship with headquarters and the importance of Makro/Metro to gaining respect within the MNC. The phrase *hamari (our) izzat* constructs the group around a
shared interest to prevent overt comparison within the subsidiary and to delegitimise the pursuit of interests that counter the collective. The quotation demonstrates the plasticity of izzat and (re)produces and leverages collectivism as a key cultural trait of Pakistan. Since hamari izzat is attached to the modern system, it favours the greater resourcing for the modern trade and elevates some interests over others (Jarzabkowski et al., 2010). As a discursive resource hamari izzat (re)produces hierarchy and collectivism, aligning the two.

Collective izzat is actively used to mobilise the traditional sales department who are excluded from the emergent elite. At a regional sales meeting, for example, the upcoming visit of Jay (Regional Head of Marketing for Middle East and Pakistan) is discussed and izzat underscores the need for the traditional sales people to work for the modern team. Since the traditional sales team employed far more sales managers and officers than the modern sales teams (though not in proportion to sales), the emergent circumstances demanded that the traditional side would help the modern team prepare product displays and manage availability.

“Yaar (O friends)! Jay’s visit is coming next week. Boss has told me that it is the matter of the izzat of the region. We will have to work day and night with the modern sales team to make it a success” (Area Manager, Karachi).

The collective izzat operated not only as a coercive mechanism of control to secure compliance around particular tasks, but also through identification of (many of) those subordinated through its use. This was achieved by demonstrating the distinctiveness and desirability of employment within the MNC, regardless of what that employment entailed. FmcgCo’s competitors include other MNCs and local branded goods companies and comparison was often made to the indigenous companies, commonly referred to as ‘seth companies’. Seth in Urdu or Hindi refers to a big
businessman, money lender or rich person of a town and colloquially characterises a mode of organising (Khakwani and Case, 2012). Popular literature and Bollywood movies widely depict the *seth* as exploiters and bloodsuckers extracting maximum labour from the poor. The term carries pejorative connotations, being associated with miserliness, excessive control, and a reliance on close family and ethnic connections (Khakwani and Case, 2012). The sales team in FmcgCo was often reminded that, without family connections, their paths for advancement would be limited with the *seth* and also that *seth* organisations offer no opportunity for an international career. This provided a discursive basis that encouraged identification with the MNC subsidiary, even amongst workers subordinated in the new organisational structure.

Attempts were made by the area team (especially by those without an MBA, as we discuss later) to resist the discourse and invert this use of popular imagery and the MNC/*seth* hierarchy. What was framed as FmcgCo’s overwhelming obsession and cooperation with other multinationals was labelled as *dramay baazi* (theatrics) and contrasted to the wise and more commercially grounded approach of the *seth*.

“We have to do some *dramay baazi* when Jay comes to visit us (in Karachi). We have to show them nice looking displays of our products. This is not the issue of the *seth*” (Trade Sales Officer, Karachi).

The miserliness of popular imagery becomes, in this construction, commercial astuteness and refusal of profligacy. Thus, whilst characteristics of the *seth* are common to discourse across the subsidiary, valence is contested. However, even when *dramay baazi* condemns the actions within the modern trade, it underscores the importance of being visible, almost flambouyantly so, to the
international/regional head offices. In this way, *dramay baazi* reproduces the superiority of the ‘modern’ sales function and of MBA English speakers who are able to gain visibility.

Notwithstanding deployment of the collective *hamari izzat*, those now elevated to the modern team stressed differences in their current ways of doing business and talked disparagingly of local and traditional business styles. The rather aimless and almost childlike sales visit to a local company contrasts with the seriousness of their current activity:

“*It is not like the way we have been doing sales. Like visiting a (local) wholesaler and making him happy and listening to his crap and trying to get the number (sales target) done. (With Makro Metro) it is sales at a very different level. We have to engage differently with them*” (National Trade Marketing Manager)

They would quote each other to give weight to this difference: “*As Taimoor (National Trade Marketing Manager) said, ‘the modern sales function is way, way different from the TSO (Trade Sales Officer) work’*” (Head of Key Accounts).

The ‘new’ sales functions and sales role required the ability to communicate (in English) and socialise with MNC purchasing managers, higher management and elsewhere in the MNC. By extension, a particular type of person was required, described here through the vague term ‘hip’:

“*We need hip (type of) people for these roles. Those who can carry and articulate themselves well in a respectable manner (izzat daar tareeqay say)*” (Director of Sales).

One example of what might be considered ‘hip’ was a new hire to the modern sales team who had an MBA and a side career of fashion modelling for men’s clothing lines.
Grounded in the class structures prevalent in Pakistan, the requisite language and social skills (with foreigners) naturalised modern roles as elite functions for elite natives. New job titles such as Account Manager, Merchandiser and new practices such as category planning reinforced the technical requirements of the job and, by implication, the importance of management education. Thus, the discourse named favourable structural positions that could be occupied only by some of those previously working in the traditional sales team. The modernisation discourse also meant that an internationally oriented career became the most valued career route in a now bifurcated workforce. Employees had limited freedom to define who they are (i.e. their role, their competence and career aspirations). Instead, their job role, competence and their aspirations are defined for them.

The modernisation thesis is all the more structurally violent for the so-called ‘rankers’ in traditional sales who lacked educational and linguistic requisites. Militaristic terms like ‘rankers’ and ‘officers’ were used to describe the profile, position and role of the non–MBA traditional sales staff. Through job titles the modern sales team is elevated above the local and the traditional to become lead participants in a global narrative of progress.

*Work trajectories and the (re)production of structures of domination*

The creation of parallel sales forces produces two distinct work trajectories and fixes the meaning of ‘career’ and ‘work competence’ in ways that reinvigorate, reinforce and naturalise certain postcolonial and transnational structures and hierarchies. The notion of career is associated with the international and particularly with the enhanced travel opportunities and training that modern trade involvement brought along with its greater *izzat* for the subsidiary.
“From here the maximum jump that we could make was to Dubai or Saudi Arabia. Getting a direct transfer to the US or the UK? .......we don’t have that much izzat” (Trade Category Manager).

The modern sales structure opened doors to the Karachi head office and subsequently an obligation to gain experience in other markets in which the MNC operates. In particular, they could get experience the western markets that are often described as being more respectable:

“We should focus on getting our (head office based) people trained in the bigger, developed and izzat daar (respectable) markets” (National Trade Marketing Manager).

The association of geographic mobility with upward mobility was evident in FmcgCo. The Head of Key Accounts transferred to Dubai and his successor was sent on extended training in South Africa. There was regular international training for the modern staff. What is important here is that the aspiration to be able to operate in other countries, which is embedded in the blend of izzat with the narrative of progress, was performed and (re)produced by the company rather than being a neutral marker of the good employee.

The working conditions and prospects for members of the traditional team were quite different. Previous quotes associated the traditional with dirt and filth, with counterfeit and inaccurate weigh scales and the need to talk crap. These discursive markers place the traditional team in a very different and almost murky world. There was an expectation that after several years at a senior level in the traditional team the incumbent would leave the subsidiary for the disparaged local seth. During the two years of the study two of the three regional managers did move to a local FMCG brand owner. No one without an MBA and fluent English was transferred or promoted from the regional bases to the head office. Lack of presence in head office restricts access to relationships within the subsidiary and the possibility of international travel.
The voluntary efforts of some of those subordinated in the emergent structure also reproduced the structures of domination. In an effort to overcome constrictions some entry staff embarked on language courses and one regional manager, who did indeed gain promotion within the traditional team, pursued an evening MBA. Nevertheless, it is unclear that these considerable efforts to enable better mimicry will overcome the barriers where vague qualities such as ‘hipness’ become associated with suitability to the new career path.

Company transport and entertainment made this social distinction visible and material, thus realising the discourse of progress and consumerism that top management projected on Pakistan. Entry-level staff on the modern side were allocated company cars (Suzuki Alto) whilst a similar level in traditional sales travelled on company 100cc motorbikes. The strong class and status associations with these vehicles prevalent in Pakistan was (re)produced by the MNC. The modern sales team also received generous budgets to entertain the purchasing teams from Makro and Metro.

**Discussion and conclusions**

The MNC is now understood as a “highly complex configuration of on-going micro political power conflicts at different levels” (Morgan and Kristensen, 2006, p.1473), yet little is known about power in subsidiary units because research attention has focused primarily on managers and their international relationships. We examined power conflicts and micro-political processes in one subsidiary and related these to meso (MNC) and macro (geo-political) contexts. Following Frenkel (2008), and deploying postcolonial theory, we pursued one debate through multiple voices to elucidate micro-political processes. Here we discuss our findings and contributions, focusing
initially on micro-politics in the subsidiary and then highlighting the circuits of power that allow us to see the subsidiary as a specific site embedded within broader political currents.

Postcolonial theory asserts the on-going significance of historic encounters (Prasad, 2008) and highlights the potency of the grand narrative of progress in reproducing historic relations and enabling the domination of western capital (Cooke, 2003). When something is framed as progress it is made desirable and obliges participation from both the coloniser and the colonised, defining the nature of the relationship between the two (Jack and Westwood, 2006). The global expansion of modern retail has been historically located in the narrative of progress bringing benefits to local populations despite, perhaps, their reluctance (Goldman, 1974). The top management within FmcgCo’s subsidiary problematically embraced the narrative of progress, whilst tethering it to the locally prominent ideal, izzat or honour. In blending the global narrative with local discourses, modern retail is naturalised as desirable, well adjusted to contemporary Pakistan and entirely compatible with its trajectory of progress.

Whilst micro-politics in the international relations of the MNC are driven by appeals to diverse rationalities and sources of legitimacy (Geppert et al. 2003), within this subsidiary the source of legitimacy was clearly established by top management who reconciled rationalities in their narrative of progress. Previous studies have also demonstrated that subsidiary managers provide hybrid narratives that blend the global and local. Yousfi (2014) highlights the attachment of local symbolic meaning when global practices are applied in the subsidiary. Ailon-Souday and Kunda (2003) find that subsidiary managers selectively activate local elements to further their purposes and according to the job at hand. Our study extends these insights to show that the hybridity is central in managerial sensegiving (Clark and Geppert, 2011) since it establishes the terrain and the terms for micro-political conflict throughout the subsidiary. In reconciling the global and the local,
the authorised narrative of top management defines what can be contested as well as who will be privileged in the relationships throughout the subsidiary.

Our work draws attention to active narrative work and to aspects of political process that help us understand the subsidiary as a specific site. We likened izzat to a keyword (Williams, 1976) that is both plastic and prominent in Pakistani society. Izzat summarises “the proper way to live and work” (Yousfi, 2014, p.399) and the attachment of izzat to the modern is replicated in the active narrative work of multiple members of the organisation. These retellings come to define other aspects of life in Pakistan and familiar characters, such as the association of the traditional with dirt and the lack of izzat they afford to shoppers. These associations privilege those in the subsidiary who are placed in the modern team and support the difference in status of the two teams, a difference materialised through company vehicles, budgets, travel opportunities and job titles. Notwithstanding status distance, hamari izzat illustrates how that which is ‘culturally’ resonant is applied to the matter at hand (Ailon-Souday and Kunda, 2003) and enables hierarchy and collectivism to operate together in support of the new hierarchy.

Jarzabkowski et al. (2010) demonstrate how the prominence and plasticity of a keyword facilitates its construction to favour certain interests and enable particular coalitions. The appropriation of izzat in the narrative of modern retail facilitated the emergence of a more formalised structure, marking the elite character of the modern team. This team acted in ways that are similar to the comprador cadre (Bousebaa, et al., 2014; Varman and Saha, 2009) as they defined the possibilities of identity and shaped the work activities of those they came to dominate. The ground of possible resistance for those who are to be dominated is diminished, notwithstanding more covert attempts to contest the narrative. Some of the dominated sought more favourable positions and identities for themselves, especially through further education in management or languages – an act of
mimicry that endorses the rationale of the authorised narrative. Meanwhile, the educational background, linguistic competence and more cosmopolitan outlook of the elite supports an increasingly global emphasis in the practices of the subsidiary. The alignment of personal interests amongst the modern team and top managers facilitates this coalition around the narrative that reconciles a more global outlook with local symbolic meaning.

We see the subsidiary as a specific site of micro-political contest since relationships within the subsidiary are embedded in both meso (MNC) and the macro (geo-political) contexts. Our research brought heterogeneity in the subsidiary to the fore and highlighted differences of education, fluency in English and grounding in western management theories. These elements can be traced to a colonial past (Fougère and Moulettes, 2009; Seymour-Smith, 1986) and to contemporary postcolonial western capital domination (Khan and Koshul, 2011). Those who are advantageously placed with respect to macro factors also interpret the introduction of modern retail as a means to develop or realign both the subsidiary and themselves in their relationships in the MNC. We have shown also how new forms of social networks emerge, for example MBA alumni networks, potentially creating new supportive coalitions that are alternative to the kinship networks of sifarish. Membership of the elite is restricted to those able to become cosmopolitan players (Clark and Geppert, 2011) and who begin to see their similarity to others and their interests as lying outside the subsidiary as much as within it (Sklair, 2001). We do not claim that elite MBA graduates were not previously favourably positioned for advancement. Indeed, the current top management team suggest very much the opposite. However, top management and the modern sales team repeatedly emphasised the greater international exposure brought by the entry of modern retail and the enhanced prestige and opportunities this brought both to the subsidiary and to them as individuals. Accordingly, we see the micro-politics of the subsidiary as very much
bound up within the complex totality of power and micro-political struggle that is the MNC (Morgan and Kristensen, 2006).

We recognise the limitations of our study that arise particularly from our focus on one context and debate around one issue. We have offered more generalised insight concerning the particular operation of micro-politics in the subsidiary and argued that a fuller understanding of this will allow us to relate power in the MNC to that in the subsidiary. We recognise that the events we studied did not directly result from a change precipitated by MNC headquarters, but rather from a changed environment brought about by customers. We believe that further research to explain how power and control in the MNC operates through the micro-politics of the subsidiary could usefully follow a controversy originating through the actions of the MNC centre via subsidiary management to the multiple levels of the subsidiary. We recommend a broadly ethnographic approach with broad participation throughout the organisation to elucidate further how global and local discourses and their rationalities are (re)shaped in the different sites of contestation and how actors pursue their interests in the linked relationships of the subsidiary and MNC.

References


in International Business 8(1): 37-55.


Bjerregaard T and Klitmøller A (2016) Conflictual practice sharing in the MNC: A theory of

Blazejewski S (2009) Actors’ interests and local contexts in intrafirm conflict: The 2004 GM and


transnational and neocolonial effects in international management consultancies. Organization


Williams R (1976) *Keywords: A Vocabulary of Culture and Society*. New York: Oxford UP.