

**STEREOTYPE-BASED MANAGERIAL IDENTITY WORK IN MULTINATIONAL  
CORPORATIONS**

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# STEREOTYPE-BASED MANAGERIAL IDENTITY WORK IN MULTINATIONAL CORPORATIONS

## ABSTRACT

The paper advances our understanding of managerial identity work in the context of HQ-subsiary relations. We argue that a key part of this identity work is related to cultural stereotypes. On the basis of an analysis of two Finland-based MNCs operating in Russia, the paper elucidates three forms of stereotype-based identity work with enabling or constraining power implications. The first form, *stereotypical talk*, refers to identity work whereby managers enact their stereotypical conceptions of ‘the other’ to bolster their self-image and ‘inferiorize’ ‘the other’. The second form, *reactive talk*, is identity work that emerges as a reaction to stereotypical talk whereby managers aim at renegotiating the proposed social arrangement for their own benefit. Finally, the third form, *self-reflexive talk*, refers to identity work whereby managers attempt to go beyond the social arrangement produced through stereotypical and reactive talk by distancing themselves in a self-reflexive manner from essentialist cultural conceptions. Overall, the paper offers an initial attempt to elucidate how stereotype-based identity work is used to justify or resist existing power structures and power asymmetries in HQ-subsiary relations within the MNC.

## INTRODUCTION

Multinational corporations (MNCs) are complex organizations characterized by multifaceted internal political processes and power constellations (Dörrenbächer & Geppert, 2011; Geppert & Dörrenbächer, 2014; Mudambi & Navarra, 2004). Nevertheless, there is a paucity of knowledge regarding micro-political activities within MNCs (Dörrenbächer & Geppert, 2006; Geppert & Dörrenbächer, 2014; Kristensen & Zeitlin, 2005). This is especially the case with aspects of managerial sensemaking that deal with identity construction or identity work (Ybema & Byun, 2009, 2011; Dörrenbächer & Geppert, 2011), that is, with the engagement of actors in forming, repairing, maintaining, strengthening, or revising the construction of ‘the self’ to produce a sense of coherence and distinctiveness (Sveningsson & Alvesson, 2003). The present paper contributes to this topic, first, by examining the multifaceted nature of identity work in the context of headquarters (HQ)-subsiary relations and, second, by shedding light on potential power implications of this identity work.

In the MNC context, national cultures and cultural differences play a central role in managerial identity work (Ailon-Souday & Kunda, 2003). Importantly, rather than being neutral representations of difference, cultural conceptions involve stereotypes, i.e. generally held and fixed conceptions of ‘the self’ and ‘the other’ (Vaara, Risberg et al., 2003; Vaara & Tienari, 2007). Stereotypes have been examined extensively in social psychology (Bodenhausen, 2005; Macrae & Bodenhausen, 2000), linguistics (Wodak et al., 1999) and, to some extent, in international management (Ailon-Souday & Kunda, 2003; Vaara & Tienari, 2007; van Marrewijk, 2010; Ybema & Byun, 2009). While we build on these studies, in this paper we want to extend this nascent stream of research by elaborating on the multifaceted and dynamics nature of stereotype-based managerial identity work. We define stereotype-based managerial identity work as a process through which managers in intercultural encounters construct the identity of ‘the self’ and ‘the other’ by using widely held, but fixed and oversimplified ideas rooted in their (and others’) cultural and geo-political category membership (cf. Bodenhausen, 2005). In particular, we focus on stereotype-based identity work in the context of HQ-subsidary relations, that is, on the discursive construction of identities in discussions concerning the roles and responsibilities of subsidiaries in MNCs undergoing change.

In so doing, we aim at addressing the following research questions: (1) What is the role of cultural stereotypes in managerial identity work in MNCs?; (2) What forms of stereotype-based managerial identity work can be identified in MNCs?; and (3) What power implications does stereotype-based managerial identity work have for HQ-subsidary relations?

On the basis of an extensive in-depth analysis of two Finland-based MNCs operating in Russia, we identify and elaborate on three distinct forms of stereotype-based managerial identity work and their specific power implications, i.e. the enabling and/or constraining of the ability of managers to influence HQ-subsidary relations in MNCs. The study underscores the role of stereotype-based identity work as a dynamic and relational micro-political activity that enables and/or constrains the ability of managers to influence HQ-subsidary relations. In particular, we elucidate how stereotype-based identity work is used to justify or resist existing power structures and power asymmetries in HQ-subsidary relations.

## **MANAGERIAL IDENTITY WORK, STEREOTYPES, AND POSITIONING IN MNCS**

### **HQ-subsiary relations as identity work**

To increase understanding of the MNC as an organization interspersed with multifaceted internal political processes and power constellations, a micro-political perspective has been adopted in a number of recent studies (Dörrenbächer & Geppert, 2011; Geppert & Dörrenbächer, 2014; Kristensen and Zeitlin, 2005). It defines micro-politics as the engagement of actors “in activities that are not required as part of one’s formal role, but that influence, or attempt to influence, the distribution of advantages or disadvantages within an organization” (Dörrenbächer & Geppert, 2013, p. 25). Thus, the MNC is viewed as ‘a transnational social space’ where actors simultaneously enact a multitude of distinct rationalities and subject positions that jockey for dominance across a number of divides (Edwards & Bélanger, 2009).

The HQ-subsiary divide forms a key political tenet in MNCs (Dörrenbächer & Geppert, 2013). It is manifested in a constant struggle for control vs. autonomy related to both symbolic and material issues. The HQ’s interest lies in ensuring that the subsidiary contributes to the success of the MNC, but also submits to its control. The subsidiary’s principal interest revolves around acquiring resources from HQ while remaining strategically autonomous from it (Dörrenbächer & Geppert, 2013; Edwards & Bélanger, 2009). Pursuing their interests, actors engage in internal politics triggered by critical events such as resource allocation decisions, authority delegation, top management appointments, and the like (Geppert & Dörrenbächer, 2013).

Navigating across these divides and the pursuit of self-interests involve identity work in which actors employ cultural and discursive resources. In particular, conceptions of cultural differences play an important role (van Marrewijk, 2010; Ybema and Byun, 2009). According to the literature, micro-political confrontations in MNCs can be viewed as struggles over identities and subject positions that ultimately construct specific power relations between the actors involved (Dörrenbächer and Geppert, 2006, 2011). Identity work carried out by actors to define ‘who they are’ and position themselves in a more advantageous light vis-à-vis ‘others’ of different cultural background, unit affiliation, or linguistic group has several important political implications (Jack, Calás, Nkomo & Peltonen, 2008; Vaara, Tienari

& Sääntti, 2003). For instance, identity constructions may have fundamental implications for career aspirations (Dörrenbächer & Geppert, 2009), status acquisition (Clark & Geppert, 2006) and for the authority and power of the actors themselves (Ailon-Souday & Kunda, 2003). Moreover, they may have important implications for HQ-subsiidiary relations by for example influencing which strategic decisions are prioritized at the corporate level, which resource allocations are seen as more acute and legitimate, how and to whom corporate mandates are issued, and how HQs react to subsidiary initiatives (Birkinshaw & Ridderstråle, 1999; Dörrenbächer & Geppert, 2009).

### **Identity work and stereotypes**

Cultural identity constructions of self and others are important resources used by actors in their identity work (Ailon-Souday & Kunda, 2003; Ybema & Byun, 2009). These constructions manifest an ongoing interpretation process between actors around the notions of ‘culture’ and ‘cultural differences’ rather than stable embodiments of cultural values and norms (Søderberg & Holden, 2002). And it is not a power-neutral process: ‘culture’ is understood as “mutable, negotiated, and infused with contestation and power relations” (Jack et al., 2008, p. 875) and ‘cultural differences’ as “shifting social constructs that are contextually dependent on the specific interests [of the actors] at stake” (van Marrewijk, 2010, p. 371).

For instance, Ailon-Souday and Kunda (2003) showed that the multicultural context of MNCs is unable to fully eradicate nationalism and cultural differences in relations between actors located in different units. Instead, it provides fruitful grounds for the expression of nationalistic ideas and the (re)production of cultural differences by those with the power to do so. Van Marrewijk (2010) subsequently found that ‘cultural differences’ are used by organizational actors as strategic resources to reach their goals connected to specific power constellations in geographically (and culturally) dispersed IT projects. Furthermore, examining the relationship between national culture, identity, and power relations in MNCs, Ybema and Byun (2011, p. 316) argued in favor of conceptualizing ‘culture’ as “a symbolic resource that is actively and creatively used by organizational actors to create a sense of identity and cultural distance in political struggles in multinational corporations.”

To complement this nascent research, we focus in this study on cultural stereotypes as a manifestation of ‘culture’ and ‘cultural differences’ and posit that they represent important resources used by actors in MNCs in their identity work. Stereotypes, which are defined as attributions of particular qualities to a member of a social group, are used because evaluations, impressions, and attitudes are shaped and guided by knowledge and pre-existing beliefs about the surrounding social world (Fiske & Neuberg, 1990; Macrae & Bodenhausen, 2000; Macrae & Bodenhausen, 2001). Rather than viewing others on the basis of their unique individual characteristics, actors rely on stereotypical conceptions. This leads to biased category accentuation, i.e. the exaggeration of real group differences (Tajfel, 1969) and to a related misperception of nonexistent group differences (Hamilton & Gifford, 1976).

Stereotypes in a particular context are constructed through a mobilization of ideas and concepts widespread in that context (Billig, 1995; Wodak et al., 1999). Whereas generally held ideas around cultural stereotypes are usually rooted in historical relationships between nations, stereotypes themselves tend to be generalizations reflecting simplistic conceptions of national cultures and differences at hand (Wodak et al., 1999). The use of stereotypes may involve what Billig (1995) has famously called ‘banal nationalism’: taken-for-granted views about specific nations and their representatives reproduced in everyday life. Nevertheless, people may also use existing stereotypes in creative ways through discursive strategies to further their own interests or ideas (Wodak et al., 1999).

In this paper, we posit that stereotypes are an integral part of the identity work in MNCs. Actors use stereotypes to make sense of who they are, who others are, and of their relations with others. Through stereotype-based identity work actors construct specific positions within the discursive space of the MNC, which then enable or constrain their abilities to influence HQ-subsidary relations. Whereas previous studies have illustrated the use of cultural stereotypes as important discursive resources in MNCs (Ailon-Souday & Kunda, 2003; Söderberg & Vaara, 2003; van Marrewijk, 2010; Ybema & Byun, 2009), there is a paucity of knowledge regarding the various forms of stereotype-based identity work and their power implications.

## **Identity work, positioning, and power**

Identity work has constitutive power as it constructs situations and relationships and calls forth particular cultural identities and subjectivities (Watson, 2009; Ybema et al., 2012). It allows employees in MNCs to position themselves and others and invoke various identities and relationships into being. Importantly, the invoked identities and subjectivities are dynamic and relational, because they are continuously (re)negotiated and (re)constructed through and in interactions among employees (Ellis and Ybema, 2010). They are thus discursive constructions through which employees make sense of ‘who they are’ and take up different positions which then influence how employees perceive themselves, others, and their relationships with others. Moreover, identity work, positioning, and power are closely intertwined. By employing discourses to identify and position oneself in advantageous ways, actors shape, legitimize, or problematize relations of power and status positions. Simultaneously, relations of power and status positions influence and determine what discursive positions actors can actually take (Ball and Wilson, 2000; Ybema et al., 2009).

Harré and van Langenhove’s (1999) positioning theory can explain how employees’ identity work interacts with their positioning in the MNC’s discursive space. It suggests that “positioning can be understood as the discursive construction of personal stories that make a person’s actions intelligible and relatively determinate as social acts” (p. 16). In other words, the positioning that emerges from employees’ identity work aims at either continuously confirming or challenging employees’ notion of ‘the self.’ Importantly, like all social acts, such positioning is relational - confirming or challenging one’s own self inevitably involves defining others (Ybema et al., 2009).

Harré and van Langenhove (1999) distinguish between three analytic categories of positioning. The first-order positions are performative because they are enacted by actors through identity work whereby particular identities of both self and others and the relationships between them are (re)constructed. These positions may or may not be accepted and/or taken up by other organizational actors. In the latter case, actors may seek to resist and challenge the constructed social arrangement by producing second-order positioning via a discursive (re)negotiation of the first-order positioning. In this

way, second-order positioning is a reaction to the identity work that enacts first-order positioning. Finally, third-order positioning refers to a positioning enacted through identity work which places actors outside of the original positioning arrangement.

These insights are useful in clarifying the role of stereotype-based identity work in MNCs. First, this model of positioning implies that stereotype-based identity work can be multifaceted and dynamic in nature. Second, it provides a conceptual linkage between identity work and power implications in that positioning draws on identity work and implies enabling or constraining power implications. Through identity work MNC actors construct particular subject positions for themselves and others that define the structure of rights and responsibilities in this relationship. Importantly, identity work can also be used to (re)negotiate new subject positions with new enabling / constraining power implications within the MNC's discursive space.

Applying these insights, we can define positioning as the discursive process whereby the selves of employees are located within an MNC's micro-political discursive struggles as observably and subjectively coherent participants in jointly (re)negotiated discussions and relationships (cf. Davies and Harré, 1990). As stated before, constructing one's positioning defines one's relationships with others and thus determines the nature of the relationship in terms of power distribution, which either enables or constrains the ability of actors to influence HQ-subsiary relations. Thus, through positioning we can better understand how stereotype-based identity work is used to justify or resist existing power structures in MNCs. This leads us to propose a general theoretical model describing the relationships between actors' identity work, their positioning, and the power implications in the MNC (see Figure 1).

Insert Figure 1 about here

## **METHODOLOGY**

### **Research context**

Studies of Western companies operating in Russia have highlighted various types of cultural differences between Russian and Western managers (Camiah & Hollinshead, 2003; Engelhard & Nägele,



2003; Michailova, 2002). It was shown that Western-originated HRM practices do not fit into the Russian context (Michailova, 2002), knowledge exchange and interaction between expatriates and local managers in Russia are not easy (Camiah & Hollinshead, 2003), and learning in general in the Russian-Western setting is difficult (Engelhard & Nägele, 2003). Although studies of specifically Finland-based MNCs in Russia are rare, by and large, they tend to reflect similar kinds of experiences (Fey & Björkman, 2001). Nevertheless, most of these studies have employed essentialist and positivist views on cultural antecedents of the challenges that Western MNCs face in Russia. Much less attention has been devoted to the process through which cultural conceptions are constructed and come into being in relations between Western and Russian managers. Arguably, these conceptions are constructed in managerial sensemaking around various situations and events in the MNC that involve not only the actual experiences of managers, but also cultural stereotypes (Vaara, Risberg et al., 2003).

To better understand the use of stereotypes, we need to understand the relations between the two nations and what commonly held stereotypes pervade these relations (Billig, 1995; Vaara & Tienari, 2007). There is a long history connecting Russia and Finland. After being part of the Kingdom of Sweden for some 800 years, Finland became a Grand Duchy of the Russian Empire in 1809 and retained that status for over a century. During that time there were several attempts to “Russify” (i.e., to force adoption of the Russian language) the new territory. Finland declared its independence only in 1917, after the October Revolution. In 1939-40, the two countries fought what is called the Winter War and both sides sustained heavy losses. In the end, although a part of eastern Finland was annexed by the Soviet Union, Finland preserved its independence. There is still sentiment favoring a return of the ceded eastern region (i.e., Karelia) to Finland. In 1948, Finland committed itself to a Treaty of Cooperation, Friendship and Mutual Assistance with the Soviet Union, which was the basis for political and economic relations between the two countries until 1991 (Hentilä, 1998). The breakup of the Soviet Union in 1991 had many implications for this relationship. After recovering from a deep recession, Finnish FDIs in Russia grew constantly from 1994 to 2008. After the downturn caused by the financial crisis, such investments have picked up since 2010.

The joint history of the two countries is reflected in stereotypes that both nations have about each other. Both nations have adopted nicknames for each other. Finns use ‘*ryssä*,’ which is somewhat pejoratively applied to all Russian-speaking people in Finland. From the noun ‘*ryssä*’ the verb ‘*ryssiä*’ was later formed, which literally means ‘to screw something up.’ It acquired its pejorative connotation during the process of ‘Russification’ of Finland in the beginning of the 20th century (Kuusi, Smith & Tiihonen, 2007). Furthermore, some studies show that Finns tend to hold predominantly negative attitudes towards Russian-speaking immigrants (e.g., Jaakkola, 2005). Similarly, Russians (mostly in the northwest of Russia) apply ‘*tsukhna*’ to Finns. Historically, this term has been used to denote Finns living in areas close to St. Petersburg and Lake Ladoga, but it recently has also acquired a pejorative connotation of being ‘undeveloped’ and ‘uncivilized’ (Protasova, 2003).

### **Research design**

This paper focuses on two Finland-based MNCs operating in Russia: Mega, which established a greenfield operation, and Alpha, which conducted several acquisitions. We chose these cases because, on the one hand, they are very similar (i.e., both are medium-sized, Finland-based MNCs operating in Russia), yet on the other hand, they provide examples of different operating modes. In both cases we had the opportunity to observe organizational change processes initiated by the companies: Mega established a greenfield operation near St. Petersburg and Alpha acquired its second Russian subsidiary in Moscow. This allowed us to follow the events in virtually real-time mode for two years and track the managerial identity work of key decision-makers. This setup was ideal for identifying different forms of managerial identity work, how cultural stereotypes featured in them, and their power implications for the MNCs.

*Organization Alpha.* Alpha is a Finland-based, family-owned, food-producing MNC employing around 17,000 people in the Nordic and Baltic countries. It has more than 3,000 employees in Russia. To start operating in Russia, Alpha acquired a Russian company in St. Petersburg in 1997. The management of Alpha wanted to maintain tight control over these operations, which in practice led to a lack of autonomy in the Russian subsidiary. This approach was rooted in the long and successful history of Alpha’s operations throughout its roughly 100 years of existence, but also reflected concerns about the

risks in Russia. Although implementation of post-acquisition integration was delegated to the local Russian managers, their ability to influence strategic directives and decisions made in Finland was limited and their interest in obtaining more discretion and power in decision-making processes was not acknowledged. However, Alpha's second acquisition in Moscow proved difficult because the Finnish HQ did not make use of the experience gained in St. Petersburg. This was later perceived at the HQ as a mistake and the need to engage Russian managers was recognized. The implementation, however, was not easy; there were persistent disagreements between Finnish and Russian managers concerning the implementation of changes and the role of local managers in the process.

*Organization Mega.* Mega is a Finland-based chemical product manufacturer. It employs 5,000 people and focuses on markets in Europe and Asia. The company had recently undertaken a program of active international expansion. To enter Russia, it established a greenfield operation in 2005 near St. Petersburg. From the outset, the HQ management at Mega decided to rely on local managers in running the company's Russian operations. Hence, the management team, including the general director, was recruited locally. The strategy proved to be successful and the Russian subsidiary became the fastest growing and most profitable unit in the entire organization. By 2007, Mega had around 300 employees in Russia. The crucial role of the local management team in achieving such results was acknowledged and appreciated by the HQ. But not everything in relations between Russian and Finnish managers went smoothly; there were instances of mistrust and suspicion. The HQ's efforts to impose tight control over its Russian subsidiary were against the interest of local managers, who enjoyed more discretion and power in deciding upon operational issues locally. This conflict led to situations in which the valuable international experience of Russian managers, gained from their previous employment in large non-Finnish MNCs, was overlooked or not exploited to its full potential by the HQ. The decision-making around specific operational issues became challenging. Both sides recognized that the problems required serious attention and changes in attitudes and beliefs. However, the changes proved to be difficult.

## **Empirical material**

The data for this study were collected in an extensive two-year research project involving six researchers (including the authors, one of whom is Russian by origin and two Finns) and two research assistants. The project focused on how Finland-based MNCs transfer knowledge and competences between their HQs in Finland and subsidiaries in Russia. The empirical material comprised interviews, various kinds of secondary documents, and personal observations. Altogether, we conducted two rounds of semi-structured personal interviews with top and line managers at HQs in Finland and at subsidiaries in Russia. These interviews were preceded by a set of pilot interviews in both companies with key managers at HQs responsible for the companies' operations in Russia, where key problems and challenges were identified and discussed. A list of possible interviewees was also compiled. Altogether 64 semi-structured interviews were conducted over a period of two years, focusing on the identified areas (see Table 1).

Insert Table 1 about here

At least one of the authors was present at all the interviews and two participated in more than half of them. The interviewees were asked to describe issues that were researched as freely as possible, thereby following a 'storytelling' (Czarniawska, 2004) approach. The key motivation was to track the interviewees' identity work and the role of stereotypes therein as naturally as possible. The purpose of the interview was presented to the interviewees as an attempt to understand the key challenges involved in the companies' competence management across borders between Finland and Russia and ultimately propose solutions for improvement. The topics covered included development of organizational competences and dynamic capabilities, transfer of knowledge and HR practices, diffusion of organizational culture, language and communication issues, cultural differences, and organizational power. The interviews were conducted in English, Finnish, or Russian and most interviewees could choose the language best suited to them. The interviews lasted from 45 to 120 minutes. They were recorded and transcribed verbatim yielding some 1,000 pages of transcripts. Where necessary, the transcripts were translated into the reporting language (English) afterwards. The interviews provided us with rich analytical material containing experiences, opinions, and attitudes of the managers.

We also gathered an extensive amount of secondary material, including company documents, reports, and media texts. This material played an important role in providing an overall understanding of key events and their implications and allowed us to place our interviews in context. Furthermore, we had an opportunity to engage in numerous discussions with the managers of the companies in workshops and more informal meetings. We could also make and benefit from on-site observations. Apart from elucidating overall patterns in identity work, these encounters and observations helped us to validate our initial findings. All in all, because our analysis focused on the subjective perceptions and constructions of the managers regarding different events and situations in the MNC's discursive space and how the identities of the managers were tied to these, it was essential to use methods that could provide depth and detail while remaining sensitive to situation and context (e.g., Ybema & Byun, 2009). Hence, we combined in-depth interviews, on-site observations, and extensive secondary materials for data collection purposes.

### **Analysis**

In the analysis, we followed an 'abductive' approach, which involves a constant movement between theory and empirical data (Van Maanen, Sodersten & Mitchell, 2007). As we were progressing through the empirical analysis of the data, we reiteratively compared it with the theoretical ideas that formed the basis for the analysis in the beginning. We also tried to stay as context-sensitive as possible. The presence of both Finnish and Russian researchers in our research team provided us with a useful initial understanding of the cultural, historical, and socio-political contexts of both countries. It proved to be crucial when interpreting particular situations, behaviors or expressions referred to by our interviewees in their identity work, thus allowing us to avoid superficial and inflated explanations and interpretations.

The data were analyzed in two stages. The first stage consisted of identifying the stereotypes used by our interviewees to make sense of the topics, situations, and themes discussed during the interviews. We searched the transcripts for cultural stereotypes mentioned or implied by both Finnish and Russian interviewees in relation to their Russian or Finnish colleagues respectively. Here, we kept in mind the definition of stereotypes as attributions of particular qualities to a member of a social and/or cultural

group (e.g. Finnish, Western, Russian, non-Western) (cf. Bodenhausen, 2005). We also adopted a broad understanding of what a ‘stereotype’ is and included not only instances where stereotypes were expressed or referred to explicitly, but also stereotypical ideas - widely held but fixed and oversimplified ideas about a particular type of person - and more implicit references that required us to read ‘between the lines.’ At this stage, we recorded stereotypes when the interviewees - in their narratives - invoked their own or other actors’ cultural category memberships to explain or justify a particular course of events, its preconditions or outcomes. Most of the identified stereotypes can be classified as a type of unforced evidence that naturally occurred in the course of the interviews. They were inferred from the interviewees’ narratives through a careful reading and interpretation.

We thereby identified a wide range of stereotypes and stereotypical ideas on both sides. On the Finnish side, there were stereotypes about Russia being criminal and non-transparent, Russians needing hierarchy and being imperialistic, dangerous, lazy, driven by emotions, historically untrustworthy, unreliable, lacking in Finnish competencies and skills, and unable to take initiatives. On the Russian side, there were stereotypes about Finns being slow, ethnocentric, from a small and insignificant country, from a wealthy country without problems, emotionally reserved, and lacking courage in business. However, for analytical reasons we decided to focus on the most widespread and influential stereotypes. We classified and grouped these stereotypes into eight categories based on their content: four Finnish stereotypes about Russians and Russia and four Russian stereotypes about Finns and Finland (see Table 2 below).

Second, we focused on how the interviewees used the stereotypes in their identity work in relation to specific events, processes, and situations to construct particular discursive positioning of ‘the self’ and/or ‘the other.’ In line with others (e.g., Beech et al., 2012, p. 41), we saw identity work in managerial narratives as a process of “claiming, enacting and reacting to identities through language.” Our premise was that stereotypes provide important resources for enacting specific identities while subverting others, thus constructing specific discursive positioning and power relations vis-à-vis ‘the other’ (e.g., Davies and Harré, 1990; Harré and van Langenhove, 1999). Thus, we paid special attention to the power implications of use of the stereotypes in managerial identity work.

We identified three forms of managerial identity work that differed in terms of the use of stereotypes, its content and power implications, and the level of reflexivity. We called them (1) *stereotypical talk*, (2) *reactive talk*, and (3) *self-reflexive talk*. We coded instances as stereotypical talk when managers used the stereotypes directly to make sense of a particular situation or event and to construct their own identity and/or the identity of the other. We categorized instances as reactive talk when in their narratives managers described their reactions to a situation or event where, in their opinion, they had been treated in a stereotypical way and stereotypical ideas had been used to construct their identities. Finally, we coded instances as self-reflexive talk when managers made sense of a particular situation or event and constructed their own identity by distancing from the stereotypical ideas used by them and others in the first two forms of talk. This led us to develop our understanding of the three forms of identity work and their relationships. We then went back to the data and once again examined the examples of these forms of identity work and their enabling and constraining power implications. In many instances, we could point to potential power implications in terms of positioning of the managers.

### **THREE FORMS OF MANAGERIAL IDENTITY WORK IN MNCS**

#### **Cultural stereotypes in two MNCs**

There were several stereotypes and stereotypical ideas among Finnish managers concerning their Russian colleagues. We grouped them into four categories based on their content: (1) 'Russians need hierarchy' (i.e. Russian organizations are inherently and essentially hierarchical); (2) 'Russia is imperialistic and dangerous' (i.e. Russia and the Russians are imbued with imperialistic ideas and hence potentially dangerous for outsiders); (3) 'Russians are historically untrustworthy' (i.e. Russians are untrustworthy based on historical encounters between the two nations); and (4) 'Russian managers in Moscow and St. Petersburg were not born to work together' (i.e. there are differences between people in the two cities which are difficult to reconcile). On the Russian side, the most widespread stereotypical ideas were the following four: (1) 'Finns are slow in daily life and business' (i.e. Finns are essentially slow due to their cultural background); (2) 'Finns are from a small country and lack courage' (i.e. Finns

possess the mentality of people from a small and globally insignificant country and they cannot undertake risky actions); (3) ‘Finns are anti-Russian’ (i.e. Finns are hostile towards Russia and Russians); and (4) ‘Finns are ethnocentric’ (i.e. Finns are positively biased towards their own [Finnish] ways of thinking and doing things). These stereotypes are presented in Table 2 below.

Insert Table 2 about here

Next, we elucidate how these stereotypes were used in our MNCs and triggered three different forms of stereotype-based identity work in them, namely stereotypical, reactive and self-reflexive talks.

### **Stereotypical identity talk**

Stereotypes played an important role in managerial identity work. The managerial use of stereotypes to define oneself, others, and relationships with others reflected pre-existing knowledge, ideas, and beliefs of the managers (cf. Fiske and Neuberg, 1990; Macrae and Bodenhausen, 2000; Macrae and Bodenhausen, 2001) and was activated by their interests, goals, and general attitudes toward ‘the other’ (e.g. Blair, 2002; Lepore and Brown, 1997; Wittenbrink et al., 1997). We call this form of identity work *stereotypical talk*. Prior literature has identified the use of stereotypes as one of the most common ways in which actors maintain and enhance their own self-image and derogate the ‘other’ (see Dovidio et al., 1996; Fein and Spencer, 1997). In this way, stereotypical talk is performative because it allows actors to take on a certain discursive position (the first-order positioning in the Harré and van Langenhove’s [1999] terms) in organizational discursive space by delineating group boundaries, shaping inter-group attitudes (see Dovidio et al., 1996), and constructing specific power relations between themselves and the ‘other.’ We illustrate stereotypical talk with several examples from our case MNCs.

#### ***Example #1: Finnish managers’ stereotypical talk about Russians***

The stereotypes used by Finnish managers allowed them to make sense of the problems and challenges associated with doing business in Russia and how to deal with them. These stereotypes provided a set of ideas concerning “*what the Russians are like*” and how they behave in organizations. In particular, the idea that Russian organizations are hierarchical and require control to function was



frequently used by the Finnish managers to justify HQ control as well as an extensive transfer of practices from Finland to the Russian units. A Finnish manager commented that:

“[In Russia] there is strong will ... to control everything and I think that the basic ... traditional Russian organizational model where one man is on the top deciding everything... is quite ingrained in the management style [in Russia].” [Finnish manager 20, top, Mega]

Note how the manager affirms the presence of “*strong will*” among Russian managers “*to control everything*” and then suggests that, in his opinion, this is likely to be “*quite ingrained*” in the psyche of all Russian managers.

The non-democratic nature of Russian managers was also often taken for granted as in the following quotation where the inclination of Russian managers to be non-democratic is juxtaposed with their patriotism. According to our interviewee, being patriotic is not necessarily compatible with being democratic in contemporary Russian society: “*The mentality in Russian society is such that they are not democratic in a way, but they are patriotic.*” [Finnish manager 25, top, Alpha]

Interestingly, these ideas were invoked to justify why there were clear boundaries - ‘us’ versus ‘them’ - between Finnish and Russian managers. In the following quotation, the idea concerning the non-democratic nature of Russian managers is used by a Finnish manager in her identity work to exclude Russian managers from the democratic ‘us’ in Finland. The Russian managers are accepted as mere business partners, as a part of the corporation. However, due to their presumed non-democratic attitudes and their perception that democratic ideas are ‘stupid,’ they are excluded from ‘the corporate family,’ the basic principles of which are rooted in “*Nordic mentality... [and are] about... trying to get people involved*” [Finnish managers 5, line, Alpha].

“It is still “us” and “them,” they [the Russian managers] feel that they belong to the group but they are not really part of the Alpha family at the moment.... They feel, I think ... that some of our ideas are too democratic and too stupid....” [Finnish manager 26, top, Alpha].

When deciding how to operate in Russia, the Finnish managers at Alpha often invoked the idea that Russians from Moscow and St. Petersburg cannot work with each other. We consider it stereotypical

because it reflects the Finnish managers' widely held, fixed, and oversimplified idea that there is an inherent tension in Russia between those who associate more with the wealthier and 'more traditionally Russian' Moscow and those who associate more with the 'European' and cultural St. Petersburg. Importantly, when initiating business in Moscow, this stereotypical idea prevented the Finnish managers at Alpha from involving the competences and expertise locally available in St. Petersburg. They were also invoked by the Finnish managers to justify their superior position vis-à-vis their Russian colleagues in St. Petersburg in deciding how to proceed with the Moscow operations. Note how the quote below confirms that even prior to acquiring the Moscow unit, the Finnish management was well aware of the tensions between the two cities.

“We were very sort of aware of... this thing that [coming to Moscow and saying] “Hello, I am from St. Petersburg and I know how you should do things in Moscow”... is not very [appropriate].” [Finnish manager 1, top, Alpha]

The power implications of these stereotypes became apparent when the Moscow acquisition proceeded more slowly and less successfully than the one in St. Petersburg (Alpha's first acquisition in Russia). The Finnish HQ “*have not been able to exactly replicate the St. Petersburg success in Moscow, which was the [original] idea*” [Finnish managers 4, top, Alpha] and the initial plan to do “*a bit of this and that and... try to copy paste [the St. Petersburg approach] in Moscow*” has failed because “*it seems to be a lot more difficult than [Finns] thought*” [Finnish managers 3, top, Alpha].

To explain these difficulties, the Finnish managers increasingly blamed the presumed inability of managers in St. Petersburg and Moscow to work together. They singled out the “*arrogant attitudes*” of managers in Moscow towards their colleagues in 'provincial' St. Petersburg as the cause of their unwillingness to cooperate.

“There you are dealing more with inequality, intra Russia issues... Proud people [in Moscow] believing that they do not need anybody from the provinces, that's St. Petersburg, to come and help” [Finnish manager 1, top, Alpha].

The Finnish managers were consistently of the opinion that managers in Moscow and St. Petersburg “*were not born to work together.*”

Believing in the rivalry between Moscow and St. Petersburg, the Finnish managers at the HQ continuously refused to engage managers from St. Petersburg in the Moscow operations, thus ignoring and marginalizing local knowledge in Russia that could have been used for the company’s advantage. Despite the difficulties, the Finnish HQ of Alpha persisted in their attempts to meet the challenges on their own, thus undermining and downgrading locally available resources and knowledge. The Russian managers were portrayed as inferior to their Finnish colleagues because of their presumed inability to start cooperating across the two cities for the corporate benefit.

***Example #2: Russian managers’ stereotypical talk about Finns***

Similarly, the Russian managers had a number of stereotypical ideas concerning their Finnish colleagues, such as the alleged slowness of Finns in everything they do, which was presented as an essential Finnish trait. There was also an extrapolation of ‘slowness’ from the private sphere to business: all business endeavors undertaken by Finns were also deemed slow, thus symbolizing the inferiority of the Finnish managers in the eyes of their Russian colleagues.

“The average view among Russians [is] that Finns are a bit slow people, in business it is also visible...” [Russian manager 18, line, Mega]

Having an *a priori* idea that Finnish managers are essentially slow in everything they do allowed our Russian interviewees to portray themselves as more dynamic in comparison and, therefore, superior. Even the volume of the companies’ overall businesses was considered ‘provincial’ by the ‘Russian standards.’

“If the total turnover of Alpha is NNN millions... this is not really [on] the scale of an MNC... and it makes Alpha’s management look slightly provincial” [Russian manager 12, top, Alpha].

Interestingly, the Russian interviewees sometimes placed themselves in the “imaginary shoes” of their Finnish colleagues and aired their ideas concerning why Finns are slow and generally unambitious. In the following quotation a Russian manager explains how his Finnish colleagues are likely to feel now

that their Russian competitors have prospered in recent years whereas the Finnish top management has missed a number of opportunities to grow in Russia.

“[Our obstacle] is a feeling that we are a small country, there are only 4.5. millions of us, we are in a corner of Europe and when we came here ten years ago we were big guys with full pockets, we were rich, now we see that we are again nothing... but [our Russian competitor] who started this XYZ company in 1992 from scratch, he had nothing and now he has billions of dollars” [Russian manager 11, top, Alpha].

Further, our Russian interviewees also expressed their conviction that Finns possess anti-Russian feelings and are otherwise ethnocentric. Finns were said “*to like people similar to them[selves] and to dislike the rest*” and to possess “*anti-Russian feelings... deeply in their souls*” [Russian manager 15, line, Mega].

The Finnish ethnocentrism was claimed to be problematic because “*when [Finns] select suppliers, they try to select Finnish suppliers*” thus missing “*a big world [in Russia where] there are suppliers with much better and cheaper products... This attitude leads to a lot of missed opportunities*” [Russian manager 11, top, Alpha].

A similar sentiment was aired at Mega in connection to the location choice for its production plant in St. Petersburg. The plant was established in a place called ABC “*because... a lot of ethnic Finns [are] living [there] and... some specialists who are ethnic Finns now work at our factory*” [Russian manager 24, line, Mega].

Thus, Russian managers used stereotypes to portray their Finnish colleagues as possessing a set of essential characteristics that presumably constitute the essence of being ‘Finnish.’ The constructed ‘Finnishness’ did not provide the subjects to whom it was applied with ‘essential characteristics’ for successful international business. Instead, it was associated with slower and more costly business development and ethnocentrism.

Ultimately, this form of identity work, which invokes widely shared cultural stereotypes of ‘the other,’ aims to make ‘the other’ appear inferior to the perceiver. Such inferiorization of ‘the other’

represents a power implication of the stereotypical talk used by actors in MNCs. By constructing ‘the other’ as inferior, the Russian managers strived to occupy a more advantageous discursive position within the MNCs’ discursive space that could enable their ability to question the more powerful position of the Finnish HQs in HQ-subsidary relations.

### **Reactive identity talk**

Whereas through stereotypical talk actors in MNCs strive to enhance their own self-image and construct a more powerful and advantageous discursive position vis-à-vis ‘the other,’ it is likely to be challenged and resisted by ‘the other,’ who is unwilling to accept the suggested social arrangement. The resistance would occur through *reactive talk*, a form of identity work aimed at renegotiating one’s (threatened by ‘the other’) self-identity and discursive positioning. Being stereotyped, actors in MNCs may respond by disclosing the falseness and superficiality of the invoked and applied stereotypes (see Block et al., 2011). In this way, they aim at constructing a discursive positioning (second-order positioning in the Harré and van Langenhove’s [1999] vocabulary) to affirm their social identity group and challenge the misconceptions of those in the stereotyping group (Roberts, 2005). Stereotypes are also likely to be used, though not exclusively, in reactive talk by the actors. Below we illustrate this form of identity work with several examples.

#### ***Example #3: Reactive talk by Russian managers***

The Russian managers were well aware of the stereotypes used by their Finnish colleagues to justify decisions and actions. These were described as the means through which the Finnish HQ tries to acquire more control and power over the Russian units. This was especially the case with the stereotype about the inability of Alpha managers in St. Petersburg and Moscow to work together. The Russian managers claimed that they know how these types of stories are created and for what purpose – to create a dissonance between managers in St. Petersburg and Moscow and downplay the role of local managers in developing a successful business in Russia. The stereotypical ideas were seen as a mass media product

and those who believed in these ideas were described as naïve. Note how in the following quotation a Russian manager implicitly juxtaposes “*reasonably smart people*” in the Russian unit with ‘the others’ who create these ideas and take them for granted. Through reactive talk the Russian managers sought to reconstruct and renegotiate their inferior discursive positioning in relations with their Finnish colleagues.

“Finns created this idea [concerning the inability of managers in Moscow and St. Petersburg to work together] and they believe in it, in reality it is not so ... both in St. Petersburg and [Moscow] we have reasonably smart people who understand that before we were ... two different companies ... and now we are both Alpha and we cannot live without each other ... it is sad that there are such beliefs ... If you ask anyone here [in Moscow] about this issue, everybody will answer with some irony ... my husband works in a newspaper and I know how these things are created. Let this stay in newspapers but in reality it is not so ...” [Russian manager 8, line, Alpha]

It was also clear to the Russian managers why their Finnish colleagues engaged in this type of stereotyping – to prevent them from acquiring decision-making power in relation to the Moscow operation. Relying on stereotypes and believing in mass media stories, the Finnish managers were seen as shortsighted and unprofessional.

“The biggest mistake was to ignore all the experience that the company acquired in St. Petersburg and not use it in Moscow ... our Finnish colleagues didn’t use it. They wanted to do it alone, without our experience ... but we could do it much more effectively and efficiently if we were together.” [Russian manager 9, line, Alpha]

Drawing on the stereotype about the ethnocentricity of the Finns, the Russian managers also accused their Finnish colleagues of being arrogant and ethnocentric.

“I believe that Alpha came here with the general assumption that they are more efficient than Russians in day-to-day business.” [Russian manager 7, line, Alpha]

At Mega, the Russian managers also engaged in reactive talk in response to the inferiorization by their Finnish colleagues. They rejected the stereotype that Russians need hierarchy as false. The inclination to create clear organizational structures and a division of responsibilities were explained by the complexity of the Russian business environment. The lack of understanding of this complexity from the Finnish side, the fact that Finns “*just do not understand the rules of the game in Russia,*” was also noted. One Russian top manager stated that:

“You can often hear from Finns that in Russia organizations are much more hierarchical than in Finland. And this is a prejudice... and nothing can be done about it” [Russian manager 13, top, Mega].

Similar to Alpha, Russian managers at Mega referred to Finnish ethnocentricity in their reactive talk to question the superiority position of the Finnish managers and the Finnish HQ, the idea that “*Finnish companies are the best, just because they are Finnish*” [Russian manager 22, line, Mega].

“I think that [from the start] most people in Finland thought that they could just replicate the Finnish organization here... having absolutely the same kind of processes and procedures” [Russian manager 13, top, Mega].

Furthermore, our Russian interviewees ridiculed and joked about this type of arrogance on the part of the Finns by invoking a rhetoric rooted in a wider geopolitical and demographic context to enact a power asymmetry between the Russian and Finnish managers as representatives of two unequal nations rather than of the hierarchically subordinate subsidiary and the superior HQ respectively. Note how a Russian manager mocks the Finnish approach in Russia by referring to the small size of Finland:

“Finns try to change us but I think if they want to work in Russia, they must change themselves... The small Finland of 5 million people trying to change Russia... it’s really funny... I don’t think it’s possible... If they want to make business here they must be more flexible...” [Russian manager 10, top, Alpha]

Irony was also used to highlight the Finnish reluctance to take the specifics of doing business in Russia seriously, as the following quote illustrates:

“Maybe when you are working in a company where everything is going on more or less at the same speed for hundreds of years, you should not be in a hurry (laughs)... but here we have... different speed” [Russian manager 19, top, Mega].

All in all, the Russian managers’ reactive talk aimed at challenging and renegotiating the discursive positioning enacted by their Finnish colleagues through stereotypical talk. By disclosing the stereotypical ideas of their Finnish colleagues, the Russian managers sought to depict themselves as more professional and less naïve and ethnocentric. The ultimate micro-political underpinning of these efforts was to show the Finnish managers that, whereas they think that they know how to do business in Russia and with Russians, in reality they are *“afraid of Russia [and] they do not know the Russian market.”* To be successful and *“have brilliant results”* in Russia they need their Russian colleagues. This would ultimately mean less interference but more trust, autonomy, resources, and decision-making power allocated to the Russian managers:

“Maybe now we could have more trust from the Finnish side so that we could manage the situation fully ... we could get more discretion ... [and] have more independence in our work. It would be great and interesting” [Russian manager 24, line, Mega].

#### ***Example #4: Reactive talk by Finnish managers***

Likewise, our Finnish interviewees were well aware of the ideas held and used by their Russian colleagues when resisting HQ control. These were viewed as micro-political efforts by the Russian managers to impose their own agenda, maintain more control over the company’s activities and decision-making, and downplay the contribution of the HQs to the companies’ successes in Russia. Rather than caring about the MNC as a whole, the Russian managers were seen as concerned solely with their own power accumulation and status enhancement. The Finnish managers juxtaposed their own behavior aimed



at securing benefits for all companies' stakeholders to the power-laden, nationalistic, and egocentric activities of the Russian managers aimed at boosting their own status and position.

“From the Russian side ... I sense that there is in the behavior something... imperialistic, like we are members of the new Great Russia... and we are strong and so on ... it is not like open, but you still sense it in comments and behavior.” [Finnish manager 20, top, Mega]

Such behavior was seen as unprofessional and emotion-driven and consequently undesirable from the corporate perspective. Interestingly, the Finnish managers were suspicious of their Russian counterparts even in situations where the latter behaved according to the former's expectations and in line with the Western business mentality. Such behavior was perceived as an attempt to create an illusion among Finnish counterparts that Russian managers could behave and work like Western managers. Nevertheless, the idea that “*Russian managers are always Russian managers*” prevailed in Finland.

“[The general director] is very interesting. When he is in Finland, he behaves in a Finnish way, but when he is in Russia, he then behaves in a Russian way (laughs)... I have a feeling that the Russian general director is always the Russian general director, even though here [in Finland] he behaves in a different way...” [Finnish manager 21, top, Mega]

The discursive construction of “*the Russian manager*” as inferior was further supported with evidence of the impossibility of implementing more Western-oriented practices built around ideas of participation, delegation and empowerment in Russia. One manager testified as follows:

“To make [Russian managers] work as a team is a big challenge for us...and when I am going [to Russia] and trying the Finnish way, collecting people together and asking about their opinions about how should we do this and that, so immediately [the Russians] think that here we have a manager who does not know what we should do” [Finnish manager 6, top, Alpha].

On the other hand, the Finnish managers argued that whereas their Russian colleagues think that Finns are too slow and lack the courage to be successful in Russia, there is good reason to tread carefully in Russia.

Because of the Russians' imperialistic inclinations, their presupposed tendency to rely on emotions rather than on analytical thinking, and their strong aspiration for personal status enhancements, the Finnish managers could not trust them and had to control them.

Allusions to the painful historical events between the two countries such as the Winter War and the related stereotypical conceptions of Russian untrustworthiness were invoked to justify this power asymmetry.

“Many older people in Finland still comment [that] the only good Russian is a dead Russian, the only way to look at the Russian is... through a rifle, behind the rifle...” [Finnish manager 20, line, Mega]

“Some Finnish employees have said that [they] will never ever go to Russia, because of the Winter War or these kind of things...It's in their upbringing.” [Finnish manager 21, top, Mega]

All in all, by claiming awareness of the existing Russian stereotypes, their roots, and micro-political underpinnings, the Finnish managers aimed at challenging the discursive positioning enacted by the Russian stereotypical talk. They portrayed themselves as more professional, less self-centered and nationalistic, and thus superior to their Russian colleagues. In terms of power implications, the realization of being stereotyped by ‘the other’ influenced trust between the managers. It made the stereotyped Finnish managers suspicious and mistrustful of their Russian colleagues, thus justifying the use of HQ control: “*If you have low trust, you tend to want to control and take over and sort of spread your own ideas*” [Finnish manager 3, top, Alpha].

### **Self-reflexive identity talk**

Our analysis shows that sometimes organizational actors can become self-reflexive in their identity work. We call this form of identity work *self-reflexive talk*. It allows actors to construct a discursive positioning which stands outside of the original ones (third-order positioning in terms of Harré and van Langenhove [1999]) and appeals to an external authority for legitimation. In our case, the positioning

appealed to and was fed by the macro discourse of globalization and multiculturalism, according to which “the world is flat” and we need to go beyond cultural differences to co-exist in the global environment.

Actors engage in self-reflexive talk for several reasons. One is their sense of mindfulness, that is, the reluctance to employ cognitive simplifying processes to make sense of and manage cognitive and social complexity (Weick et al., 1999). Being mindful was shown to prevent corporate executives from engaging in ‘jumping-on-the-bandwagon behavior’ in their organizations (Fiol and O’Connor, 2003). Actors can also become more self-reflexive for a more instrumental reason, that is, an inclination to promote a more inclusive collective identity and to tear down the ‘us versus them’ divide in the MNC (Ellis and Ybema, 2010; Ybema et al., 2012) to ensure more effective functioning across borders. A collective identity or an overarching sense of ‘we-ness’ denotes a set of shared attributes meaningful to the group, which helps to create and preserve a ‘system of meaning’ that binds people together (Hardy, Lawrence and Grant, 2005). From the discursive positioning perspective, a collective identity or a sense of ‘we-ness’ exists as “a discursive object produced through [actors’] conversations, rather than as a cognitively held belief” (ibid, p. 61).

Finally, there is also likely to be a political reason for self-reflexive talk with power implications. It can be used by actors in their identity work as an additional resource to construct their discursive positions as superior to ‘the other.’ For instance, Watson (2009) argues that apart from their definitional content, identities also have a moral significance. It is not enough to merely construct one’s self-image as being better than the other. It is important to construct oneself as ‘a good person,’ a person who possesses certain attributes of moral worthiness. In what follows, we show how self-reflexive talk was used in our MNCs.

#### ***Example #5: Constructing collective identity and mindfulness***

We observed several cases where both our Russian and Finnish interviewees were able to reflect on their stereotypes, often with the help of irony, thus constructing a distinct discursive positioning for

themselves vis-à-vis the non-self-reflexive others within the MNC's discursive space. Among the Finns, it was used to promote the idea that Finnish managers need to become more "open-minded" in how they approach foreign operations and partners. Pre-existing beliefs and knowledge about Russia were downplayed and presented as counterproductive, since Russia was changing rapidly and so was knowledge about Russia. Instead, the need to develop a deeper understanding of the current Russian environment was stressed.

"Many things are now changing rapidly in Russia, so if you don't have a feeling for how things are changing, you might make wrong decisions. And I think [this is] much more important than some unknowledgeable Finns having a certain perception of what a Russian person is, either belonging to the mafia or working as a prostitute or being very, very rich and arrogant... it doesn't give you any additional knowledge... We have all the same types [of people] [in Finland] as well." [Finnish manager 2, top, Alpha]

The same interviewee also noted that:

"Finns surprisingly enough don't really know anything about Russians. I think that is the problem. And those who don't know, they can develop whatever views." [Finnish manager 2, top, Alpha]

The self-reflexive talk of Russian managers focused on promoting the idea that it would be more beneficial for both companies to avoid operating in line with the basic premises of the Finnish culture and instead emphasize the companies' shared organizational cultures. It aimed at removing the 'us' vs. 'them' distinction between the units and the two national cultures, largely enacted by mutual cultural prejudices, in favor of an overarching 'we-ness' and collective identity.

"I don't think we should focus too much on cultural differences, because it's corporate culture that we're trying to build here, not Finnish culture... I think cultural differences... are not that critical. It's the perceptions that people in Finland and Russia have about each other, which are driven by historical reasons, by different kind of prejudices... and this is something that should be fought." [Russian manager 13, top, Mega]

However, even when used with good intentions, the self-reflexive talk also had power implications. It enabled the managers to construct a discursive positioning of superiority to others, to those who were unable or unwilling to engage in a similar type of identity work. This superiority stemmed from the presumed knowledge of the managers about the cultures involved and of the representatives of these cultures and the ability to look deeper into the nature of cross-cultural relations. Having these insights presumably positioned these individuals above cultural tensions and allowed them to make more informed and thus beneficial decisions for the MNCs.

“What I am partly trying to do is basically to break down [the mistrust] at the individual level by [asking the Finnish managers] what do you think about Alexei and Irina, what do you think about this and that person? [They say]... yes, we trust her but we do not trust the big picture. So that is the route we are trying to take now in order to get people to work together, in order to build up the foundation as individuals and then I think that gradually it would break down the prejudices that we have.” [Finnish manager 20, top, Mega]

Note how in the quotation above the manager speaks about his efforts to break down the mistrust of Finnish managers towards their Russian colleagues by making them see how it damages working relations. For him, his awareness of the pitfalls of the stereotypical ideas concerning the untrustworthiness of the Russians legitimizes his right to direct others to a path that will presumably lead them to “*work together*” and develop a collective identity. In this way, he constructs a discursive position which presumably grants him the right to point out to others that refusing to accept that other countries and organizations can be different is wrong.

Moreover, anticipating cultural tensions, several of the top managers were self-reflexive about the organizational values that their Finnish organizations were to transfer to the Russian units. Foreseeing that some of these values, and more specifically some of the imagery (e.g., a 17<sup>th</sup> century Finnish warrior) and the historical connotations (e.g., military campaigns against Russia) associated with these values, can be offensive for Russian employees, they decided not to disclose them. The managers felt that their

positioning beyond cultural differences and confrontations provided them with the power to decide what to reveal and what not to others. It was seen as ‘doing good’ to others (employees).

“There are some elements [in our values] which I do not tell... [because] they can be offensive ... especially in Russia.” [Finnish manager 20, top, Mega]

“We don’t really like to emphasize history too much. It doesn’t really matter where [the values] came from originally... but we don’t emphasize too much the specific details of where these guys fought, with whom and so on, because then the next question is: “Did they fight with Russians?” And this is something that you don’t want to go into.” [Russian manager 13, top, Mega]

Interestingly, the self-reflexive talk was sometimes linked - at least on the Finnish side - to a conviction that the Finnish managers need to be self-reflexive because of the power asymmetry that exists in relations between Russia and Finland at the national level. In addition to the structural power asymmetry between the Finnish HQs and the Russian subsidiaries, there was also another, a reversed, one, which stemmed from the wider societal and historical context. Our Finnish interviewees sometimes intentionally constructed their discursive positions as *a priori* inferior to their Russian colleagues. It occurred when, being mindful of the past, they portrayed Finland as less significant, less confident, and smaller than Russia, both on the global scale and from the historical perspective.

“We [Finland] are a small country; we cannot tell the rest of the world to work like us” [Finnish manager 25, top, Alpha].

The Finnish managers were mindful of the historical background shared by the two countries and the difficult relations between the two:

“[O]bviously, it is an issue [that Russians might start feeling self-sufficient], I mean, if the business in Russia is growing... From their point of view, Finland is a small country without a very long history. It has been part of Russia. Next year we will celebrate the 90 years of independence [from Russia]. So I can understand that they can start feeling self-sufficient as long as they are doing successful business, making money and growing...” [Finnish manager 5, line, Alpha]

Summing up, self-reflexive talk was also used by managers on both sides as a micro-political strategy to position themselves within the MNCs as superior or ‘better persons’ vis-à-vis ‘the other.’ This entailed positioning oneself above cultural differentiation and nationalistic confrontations in the name of a shared sense of ‘we-ness’ and a collective identity. The managers aimed at presenting themselves as culturally savvy and mindful individuals, who are able to see beyond cultural antagonisms and essentialisms in cross-cultural relations between Finnish and Russian managers, to comprehend the superfluous, often micro-political and counterproductive, nature of cultural stereotypes, and to understand the value of creating a shared organizational culture to unite employees with different cultural backgrounds instead of emphasizing cross-cultural differences. Sometimes, being self-reflexive also made the managers question existing hierarchical structures between MNC units, thus enacting other power asymmetries between the managers and the MNC units, which were rooted in wider socio-political and historical contexts.

## DISCUSSION

In this paper we have complemented existing research on power and politics in MNCs by examining the multifaceted nature of stereotype-based identity work and its power implications for HQ-subsidary relations. We have advanced the notion of identity work as a multifaceted and dynamic phenomenon in the MNC that involves the use and enactment of cultural stereotypes. Our analysis has illustrated the nature of stereotype-based managerial identity work as a micro-political activity used by managers to construct more advantageous discursive positions vis-à-vis ‘the other’ in discursive struggles taking place within MNCs. More specifically, we have explicated three distinct but interconnected forms of managerial identity work in MNCs and the related enabling or constraining power implications. Table 3 summarizes their key characteristics.

Insert Table 3 about here

The first form, *stereotypical talk*, concerns managerial identity work whereby managers enact their stereotypical conceptions of ‘the other’ to bolster their self-image by (re)constructing their

discursive positioning within the MNC as superior to that of ‘the other.’ This form of identity work is performative in nature, because by negotiating a particular discursive position, managers simultaneously reconstruct the identities of both self and ‘the other’ as well as the relationships between the two. Stereotypical talk has power implications because it typically boosts one’s own position and ‘inferiorizes’ ‘the other.’ By so doing, stereotypical talk reproduces or then aims to transform existing hierarchies and power relations between MNC managers and units.

The second form, *reactive talk*, emerges as a reaction to the social arrangement constructed through managerial stereotypical talk. It occurs when the stereotyped managers resist the suggested discursive positioning by enacting stereotypical ideas and using discourses around stereotypes in their identity work in reaction to being stereotyped. By so doing, they strive to renegotiate the proposed social arrangement and the discursive positioning within the MNC’s discursive space for their own benefit in order to enhance/secure their self-image and derogate ‘the other.’ Hence, this form of identity work goes hand-in-hand with stereotypical talk as a reaction to it. Reactive talk enables managers to construct ‘the other’ as untrustworthy and prone to stereotyping. By depicting ‘the other’ as bad and egoistic corporate citizens, managers aim at reshuffling the balance of power within the MNC in their favor.

The third form, *self-reflexive talk*, entails identity work in which managers attempt to go beyond the social arrangement produced through stereotypical and reactive talks. They strive to distance themselves in a self-reflexive manner from essentialist cultural conceptions and connotations. Managers employ various discourses around the notions of ‘culture’ and ‘cultural differences’ to construct their own discursive position within the MNC as mindful and beyond cultural confrontations in favor of a shared collective identity and an overarching sense of ‘we-ness.’ Whereas the first two forms of identity work can continuously feed each other - stereotypical talk triggers reactive talk, which then triggers a subsequent reaction and thereby draws managers into a continuous cycle of identity work - self-reflexive talk allows managers to withdraw from this cycle and construct a discursive positioning outside of it. Managers can do so because of their willingness to be mindful, which is likely to increase with cultural



learning and experience. Nevertheless, this form of identity work also carries - albeit more implicit - power implications. On the surface, the ability of managers to recognize cultural biases and go beyond cultural confrontations may appear to be interest-free and power-neutral - a self-reflexive awareness not only of 'the other's stereotypes,' but also of one's own. In itself, such awareness can potentially increase mutual understanding, which it did to some extent in our companies. However, our analysis also shows how self-reflexive talk and the associated discursive positioning that it constructs have deeper micro-political underpinnings enabling managers to portray themselves as being 'good' vis-à-vis 'the other.' This self-image then grants them the right to decide what is good for others and what is not, what information can be revealed to other employees and MNC units and what should be concealed. In this way self-reflexive talk enables managers to acquire a more powerful discursive positioning within MNC discursive struggles. Figure 2 below presents the empirical model inferred from our analysis.

Insert Figure 2 about here

By illuminating how cultural stereotypes and stereotypical ideas are enacted by managers in MNCs to construct identities and discursive positions, our analysis points towards important micro-political implications of this phenomenon. It highlights how cultural conceptions are not neutral representations of difference but resources used in an (on-going) construction of superiority/inferiority subject positions, (un)trustworthy relations, and/or managerial mindfulness and collective identities within the MNC discursive space (Ailon-Souday & Kunda, 2003; van Marrewijk, 2010; Ybema & Byun, 2009).

Concretely, our analysis illustrates how through stereotypical talk managers are able to delineate boundaries between 'us' and 'them' and (re)construct their discursive positions vis-à-vis 'the other' within the MNC discursive space, which may ultimately 'inferiorize' 'the other.' It also demonstrates that reactive talk is conducive to a deterioration of relationships between managers. Realizing that one is being stereotyped by 'the other' is likely to create a feeling of mistrust among the stereotyped managers, thus reinforcing their inclination to resist and renegotiate the proposed social arrangement by reconstructing

‘the other’s’ discursive positioning as mistrustful and unprofessional. Finally, our analysis shows that in addition to increased self-awareness and mindfulness, self-reflexive talk also has power implications for the managers involved. The subjective experience-based feelings of being more knowledgeable, mindful and a-cultural enable managers to construct themselves as ‘good’ employees (see Watson, 2009), a self-construction that presumably gives them the right to make decisions on behalf of others (cf. Ybema et al., 2012).

Thus, our analysis underscores the power implications of stereotype-based managerial identity work in its three forms in the MNC. It points towards the role that cultural stereotypes play in this work as convenient symbolic resources invoked by managers to enhance their self-image, derogate ‘the other,’ and construct favorable (for oneself) relationships with ‘the other.’ Thus, stereotype-based identity work constitutes an important micro-political activity where managers pursue their interests and justify or resist existing power structures such as the hierarchy related to the HQ-subsidary relations and the power asymmetries it entails.

The consequences of the identity work and the constructed subject positions can be extensive and long-lasting as the more powerful subject positions enable actors to influence social structures and relations within the MNC. In this way, the actors are able to define and maintain ‘the rules of the game’ in the MNC, influencing - among other things - how resources and control are distributed, authority delegated, and which national units are seen as the MNC champions or centers of excellence (i.e., better, stronger, more innovative, valuable, etc.). Moreover, the implications may concern more fundamental issues of self-worth and self-concept of the managers involved (both as individuals and members of specific cultural/national groups) who co-inhabit, co-live, and work together in the MNC. This positioning enables the actors as representatives of a particular group, culture, nation, etc. to construct self-concepts, which encompass their cultural, professional, etc. attributes, as superior to those of ‘the other’. Oftentimes, these constructions reflect but also reconstruct wider geo-political (e.g. neo-colonial, West vs. East, developed vs. developing) relations and power asymmetries between the cultures or the nations involved.

## CONCLUSION

This study has focused on managerial identity work and cultural stereotypes to advance research on power and politics in MNCs. In particular, it has highlighted the value of linking the actor-centered, power-nuanced, and identity-based theorizations around the use of cultural stereotypes with more conventional and macro-level international management research on cultural differences in MNCs. By integrating insights from these two perspectives, we have elaborated on the multifaceted nature of stereotype-based identity work and its power implications within MNCs.

Our analysis makes three contributions. First, it adds to the nascent research on power and politics in MNCs (Dörrenbächer & Geppert, 2011; Geppert & Dörrenbächer, 2014; Mudambi & Navarra, 2004) by elucidating the role and power implications of stereotype-based managerial identity work as a micro-political activity aimed at influencing HQ-subsidary relations. Cultural stereotypes are readily available discursive resources that managers mobilize in their identity work for different self-serving purposes and this enables or constrains their ability to influence HQ-subsidary relations. Thus, stereotype-based identity talk is an important part of managerial micro-political behavior to pursue political interests and power aspirations (Dörrenbächer & Geppert, 2011). Ultimately, it determines how hierarchies and power asymmetries in HQ-subsidary relations are constructed and negotiated within the MNC (Dörrenbächer & Geppert, 2011; Morgan & Kristensen, 2006). Our analysis further advances the literature by highlighting the dynamic, relational, and multifaceted nature of stereotype-based identity work. It demonstrates that identity work in the MNC is not only continuous and relational but also reactive and/or self-reflexive and can – depending on its form and purpose – carry various power implications. In this respect, self-reflexive talk represents an especially interesting form of managerial identity work for it shows how managers are able to go beyond the cognitive boundaries of national cultures and cultural connotations and use this self-reflexivity for their own benefit.

Second, the analysis has implications for studies on stereotypes more generally. In particular, our analysis complements previous studies on stereotypes (Ailon-Souday & Kunda, 2003; Vaara & Tienari, 2007) and other tropes, such as metaphors (Vaara et al., 2003) and metonymies (Riad & Vaara, 2011), by

underscoring the role of cultural stereotypes and stereotypical ideas as a key element of identity work in cross-cultural settings. It also points towards the importance of placing cultural stereotypes in the context of ongoing cultural identity work. Although the embeddedness of cross-cultural interactions in structural power asymmetries between HQs and subsidiaries has been noted in prior MNC research (e.g. Ailon-Souday and Kunda, 2003; Ybema and Byun, 2009), we advance this argument by showing how cross-cultural interactions and stereotype-based identity work in MNCs are also embedded in and driven by specific shared historical events, processes, and traditions, e.g. wars or socio-political relations. These can create other types of power asymmetries (e.g. 'big' vs. 'small' country or 'important' vs. 'peripheral' nation), thus by extension reshaping power relations and hierarchies between the involved actors and MNC units, and often compromising the structurally-determined superior status of HQs in MNCs.

Third, the paper sheds new light on the challenges confronted by Western MNCs in Russia and other emerging markets. While the literature has predominantly focused on the role of culturally-bound, essentialist differences between cultures and organizations in producing these challenges (Camiah & Hollinshead, 2003; Engelhard & Nägele, 2003; Michailova, 2002), our analysis underlines the role of pre-existing and enduring micro-level cognitive elements possessed by managers in shaping their attitudes and behaviors when operating in these environments. It might be of more relevance for Western and Russian managers to examine their attitudes and beliefs about themselves instead of persistently 'scapegoating' culture and cultural differences. The use of cultural stereotypes tends to reinforce beliefs in 'fundamental cultural differences' in the MNC context where people with different cultural backgrounds work together across national contexts. And that is why they require attention and reflection.

Our analysis has limitations that should be taken seriously. First, the use of cultural stereotypes is a phenomenon that is difficult to capture 'objectively.' Thus, our findings may be influenced by our own cultural conceptions, interpretations, and biases. However, the fact that our research team comprised researchers of both Finnish and Russian origin should alleviate at least the most obvious biases and concerns. Moreover, in this study we were explicitly interested in stepping away from essentialist cultural conceptions and connotations and focused instead on how cultural stereotypes are used, interpreted, and

enacted as discursive resources by managers. In this way, we were interested not in capturing ‘objective’ cultural stereotypes but rather how managers make sense of culture. Second, although the two cases provide some basis for theoretical generalizations, the analysis remains context-specific. Finnish-Russian relations are unique in terms of their historical and socio-political backgrounds. MNCs operating in other countries will certainly have to deal with cultural stereotypes that have not come up in these cases and this specific context. We believe that the three forms of identity work that we identified in this study are analytically generalizable, even though the actual cultural stereotypes across cases and contexts differ. Some support for this claim stems from the fact that the identified forms of identity work were similar across the two cases that we analyzed, although they differed somewhat in terms of the concrete stereotypes used and how the actors engaged with them. Nevertheless, future research is needed to verify our findings in other organizations and contexts. Finally, we acknowledge that even though we discussed the various power implications of stereotypes-based identity work extensively, we were able to illustrate only its enabling and constraining implications rather than elaborate on socio-material power effects *per se*. More power-sensitive and power-elaborate analyses are certainly needed to examine the power effects of managerial identity work in MNCs in more detail.

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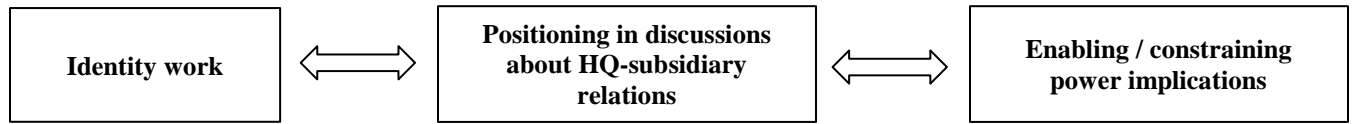
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**Figure 1: The proposed theoretical model.**



**Table 1: Interviews**

<b>Company</b>	<b>In Finland</b>	<b>In Russia</b>	<b>Top managers</b>	<b>Line managers</b>	<b>First round</b>	<b>Second round</b>
<i>Alpha</i>	12	21	24	9	7	26
<i>Mega</i>	15	16	14	17	12	19
	<b><i>Total: 64</i></b>		<b><i>Total: 64</i></b>		<b><i>Total: 64</i></b>	

**Table 2: Cultural stereotypes in the two case MNCs**

<b>Stereotype</b>	<b>Stereotype description</b>	<b>Typical examples</b>	<b>Power implications</b>
<i>Russians need hierarchy</i>	Russian organizations are inherently and essentially hierarchical.	“[For any organizational problems] there are always these wonderful good explanations why it happened but it is really all because the Russian way of working is still very hierarchical” [Finnish manager 26, top, Alpha]	“[The Russian companies have] hierarchical structure... [the Russian managers] are not used to [a non-hierarchical] type of working and they need continuous coaching.” [Finnish manager 1, top, Alpha]
<i>Russians in Moscow and St. Petersburg are not born to work together</i>	Russian managers in Moscow and St. Petersburg are not able to work with each other.	“We were very sort of aware of... this thing that [coming to Moscow and saying] “Hello, I am from St. Petersburg and I know how you should do things in Moscow”... that it is not very [appropriate].” [Finnish manager 1, top, Alpha]	“What happened in St. Petersburg became big and successful but then one did not realize that taking a step from St. Petersburg to Moscow is actually quite a big leap. And we did not have the mindset, people and the competences in St. Petersburg...” [Finnish manager 4, top, Alpha]
<i>Russia is imperialistic and dangerous</i>	Russia and the Russians are imbued with imperialistic ideas and are potentially dangerous for outsiders.	“... The Russians want to be the Red Army and to show the outside that we are the biggest and we are the greatest.” [Finnish manager 20, top, Mega]	“[The Russian managers] would like to talk to the press, they would like to be showing to everybody the great things that we are doing and I am restricting it personally...” [Finnish manager 20, top, Mega]
<i>Russians are historically untrustworthy</i>	Russians are untrustworthy (based on historical encounters between Russia and Finland).	“You can’t trust Russians... never trust a Russian. Might come from history, have something to do with it.” [Finnish manager 3, line, Alpha]	“I must say honestly that I don’t know how well performance appraisal works in Russia... To be honest I’m quite skeptical whether it’s really what I think it is.” [Finnish manager 3, line, Alpha]
<i>Finns are slow in daily life and in business</i>	Finns are essentially slow in everything they do.	“A Finnish guy is a slow guy. All the business they do, they also do too slowly...” [Russian manager 9, top, Alpha]	“Finnish companies are not really aggressive, are not really ambitious... they think about plans for 10 years, they try to make some forecasts and we always tell them that ‘if you try to make forecasts for 10 years, then good for you, but while you are making forecasts, we [in Russia] will be making money” [Russian manager 10, top, Alpha]
<i>Finns are from a small country and lack courage</i>	Finns possess the mentality of people from a small country who are not able to take high-risk actions.	“[Finland is] a small country, there are only 4.5 million [Finns], [it is] a corner of Europe...” [Russian manager 11, top, Alpha]	“Finns try to change us but I think if they want to work in Russia, they must change themselves... because... 5 million people in Finland trying to change us... it is the same also in China where Finnish people try to change the nation of Chinese people, I do not think that it is possible... If they want to do business here they must be more flexible.” [Russian manager 10, line, Alpha]
<i>Finns are anti-Russian</i>	Finns are hostile and negative towards Russia and the Russians.	“Deeply in their souls there are anti-Russian feelings...” [Russian manager 15, line, Mega]	“Actually... sometimes there is such a feeling that you are perceived as an idiot, some kind of bear with the balalaika, who does not understand anything.” [Russian manager 17, line, Mega]
<i>Finns are ethnocentric</i>	Finns are biased towards their own ways of thinking and doing things.	“If there are two different opinions about a problem and one opinion is from the Finnish side and one from the Russian side, then - if they do not match - most likely the Finnish opinion will be accepted by the Finnish management” [Russian manager 18, line, Mega]	“We [the Russian management team] cried out loud that, guys, we are going in the wrong direction [with the project], let’s do something about it. And they didn’t want to hear until a certain phase or a certain moment. And everyone realized that well, this is a total fiasco.” [Russian manager 13, top, Mega]

**Table 3: Three forms of stereotype-based identity work in MNCs and their key characteristics**

Forms of identity work	Description	Essential functions	Power implications
<i>Stereotypical talk</i>	A largely non-reflexive use of cultural stereotypes about ‘the self’ and ‘the other’ in one’s identity work	<ul style="list-style-type: none"> <li>• To provide explanations and justifications for cultural encounters, especially conflict</li> <li>• To enhance one’s self-image and self-esteem</li> </ul>	<ul style="list-style-type: none"> <li>• Delineation of boundaries (‘us’ vs. ‘them’) between ‘the self’ and ‘the other’</li> <li>• Construction of superiority / inferiority positions</li> </ul>
<i>Reactive talk</i>	Reactive discourse as a response to stereotypical talk by ‘the other’	<ul style="list-style-type: none"> <li>• To challenge and question the applied stereotypes</li> <li>• To defend and enhance one’s self-image and self-esteem</li> </ul>	<ul style="list-style-type: none"> <li>• Reactive (re)construction of superiority / inferiority positions</li> <li>• Relational mistrust towards stereotyping ‘other’</li> </ul>
<i>Self-reflexive talk</i>	Self-reflexive discourse involving stereotypes of ‘the self’ and ‘the other’ in one’s identity work	<ul style="list-style-type: none"> <li>• To take distance from cultural tensions and confrontation</li> <li>• To project mindfulness and cultural learning</li> <li>• To go beyond stereotypical and reactive talk</li> </ul>	<ul style="list-style-type: none"> <li>• Alleviation of conflict</li> <li>• Construction of a collective identity (a sense of ‘we-ness’)</li> <li>• Construction of knowledgeable and a ‘better person’ position and thus one’s authority</li> </ul>

**Figure 2: The model of managerial identity work, positioning, and power implications in MNCs**

