

## **Toward an Integration of Behaviors and Intentions in the Study of Managerial Resistance in a Multinational Corporation – A Case study of IBM Montpellier (France)**

*Authors: Pauline KEH\* and Régis MEISSONIER\*\**

*\* PhD in Management Science, MRM, Montpellier 2 University, France*

*\*\* Professor in Management Science, CRIISEA, Jules Verne University, France*

*Abstract:* While nowadays multinational companies tend to delocalize their subsidiaries to offshore countries, this article analyze the strategy developed over 4 key periods by IBM Montpellier (France) to avoid the site closure planed by the headquarter. An in-depth research has been conducted during four years. 53 interviews were conducted and completed with participant observations and second-order data. Main results show ambivalent strategic responses between *resistance - opposition* at one side and *acceptance – conformity* at the other side. The subsidiary had balanced between two alternatives and finally managed to resist to the closure decision of the HQ while taking initiatives in line with corporate objectives. The conclusion expands the results, questions the traditional dichotomy between acceptance and resistance to change and propose a typology integrating both dimensions.

*Keywords:* *subsidiary, strategic response, resistance, acceptance, typology*

## INTRODUCTION

Over the last decades, many researches in management science investigated multinational corporations (MNC) strategies with diverse theories and approaches. A large part is rooted in rationalist and functionalist theories, and considers headquarter-subsubsidiary regulated by vertical hierarchy (Eisenhardt, 1989; Jensen & Meckling, 1976). This perspective postulates a strong asymmetry between the headquarter (HQ) and the subsidiaries and assumes that strategy and practices are elaborated at a global level and diffused to local units. Subsidiaries' roles and actions are then supposed to be limited to execution of pre-established global decisions (Bartlett & Ghoshal, 1986; Jarillo & Martinez, 1990). In the mid-1990s, new theories (Birkinshaw, Hood, & Jonsson, 1998; Birkinshaw, 1999) questioned the aforementioned asymmetry and considered subsidiaries as able to more actively influence strategic decisions of MNC. In the early 2000s, some authors adopted a more sociopolitical-based vision of HQ-subsubsidiaries relationships and put forward the contested nature of MNCs (Dörrenbächer & Geppert, 2011; Kostova & Roth, 2002; Glenn Morgan, 2001; Tempel, Edwards, Ferner, Muller-Camen, & Wächter, 2006). Beyond their belonging to the same company, subsidiaries develop different rationalities and interests that can give rise to negotiations, resistances or conflicts (Becker-Ritterspach & Dörrenbächer, 2011; Boussebaa, 2009; Dörrenbächer & Geppert, 2009; Morgan & Kristensen, 2006).

Our research adopts this sociopolitical perspective to capture strategic responses of subsidiaries to drastic headquarter decisions. The paper is structured as follows. The first section presents the literature analysis on HQ-subsubsidiaries relationships and on micro-politics within the MNC. The second section presents the in-depth case study done at IBM Montpellier, one of the French subsidiaries. The research methodology took the form of a longitudinal research made on site over 4 years. We conducted 53 interviews completed and crosschecked with secondary data analysis and with participant observations. Main results show a hybrid strategic response between *resistance - opposition* at one side and *acceptance – conformity* at the other side. The subsidiary balanced between two alternatives and finally managed to resist to the closure decision made by the HQ and to be self-preserved while taking initiatives being in conformity with the corporate strategy. The conclusion expands the results, questions the traditional dichotomy between acceptance and resistance to change and propose a typology integrating both dimensions.

## LITERATURE ANALYSIS

The hierarchical and vertical perspective of the headquarter-subidiaries (HQ-S) relationship has been dominating the literature in international business on multinational corporations (Eisenhardt, 1989; Jensen & Meckling, 1976). Headquarters are considered as central actors of multinational corporations (MNCs) gathering power and determining the roles and objectives of subsidiaries (Chandler, 1962; Williamson, 1975). A strong asymmetry is implicitly postulated and assumes decision making and strategic thinking as emanating from the HQ only (Baliga & Jaeger, 1984; Gupta & Govindarajan, 2002). Research on MNCs based on institutional theories considers multinational corporations as homogeneous organizations where subsidiaries are subject to coercive, mimetic and normative pressures coming from their global institutional environment. It suggests that subsidiaries survival depends on its ability to obtain legitimacy from the parent and to comply with its rules and expectations (DiMaggio & Powell, 1983; Kostova, Roth, & Dacin, 2008). Morgan and Kristensen (2006) introduced the notion of “*Boy Scout*” subsidiaries, which portrays subsidiaries whose main goal is to gain the HQ’s favours and therefore chose to adopt and comply with global practices, norms and recommendations.

During the 1990s, new theories, based on *heterarchy* concept of Hedlund (1986) and on Ghoshal and Bartlett (1990) research, questioned this “executive-only” vision of subsidiaries. According to the authors (Birkinshaw et al., 1996, 1998, 1999; Birkinshaw and Hood, 1998), the subsidiary can be modeled as a “*semiautonomous entity*” capable of pursuing discrete and proactive actions also called “*initiatives*” in order to upgrade its mandate and gain in influence within the MNC. Although these contributions mitigated the dominant approach, they still assumed that HQ-S relationships were governed by a unique common objective. Local entities and sub-entities of MNC were considered as able to take initiatives, but only for the performance interest of the parent company (Bartlett & Ghoshal, 1986; Julian Birkinshaw, 1999).

“Neo-institutionalist” authors (Covaeski and Dirsmith, 1988; DiMaggio, 1988; Child, 1997) proposed to revise the classical conceptualization of institutional theory in order to depart from the passive, compliant and purely predetermined vision of organizational behavior and to focus on actors' strategic choices, practices and self-interests. Here, HQ-S relationships are viewed as an “institutional dualism” (Kostova & Roth, 2002; Morgan & Kristensen, 2006; Quintanilla & Ferner, 2003; Tempel et al., 2006) and a political space where subsidiaries need to maintain their legitimacy within both the MNC and their host country (Kostova and Roth,

2002, p. 216). This revised institutionalist theory gave rise to empirical researches that highlighted the contested dimension of multinationals as they contain different actors with different rationalities and different self-interests (Becker-Ritterspach & Dörrenbächer, 2011; Mike Geppert, Williams, & Matten, 2003; Kostova et al., 2008). This non-homogeneity is viewed as giving rise to different forms of micro-politics and to new forms of subsidiaries' resistance and non-adoption of HQ diffusion of practices, norms and rules (Dörrenbächer & Geppert, 2009; Edwards & Bélanger, 2009; Erkama, 2010; M. Geppert & Williams, 2006; G. Morgan & Kristensen, 2006). Morgan and Kristensen (2006) introduced the notion of “*subversive*” subsidiaries, which portrays subsidiaries that are largely rooted in their local or national institutional environment and tend to act as an independent-like unit. As a consequence, they can be tended to give primacy to their own goals and jeopardize head office demands that may undermine their own interests (*op.*, p. 1480).

While this line of work has brought significant contributions to understand political relationships in multinationals, the dichotomy between conformity and resistance leaves little room for ambivalence in subsidiaries attitudes towards HQ, and intermediate or hybrid positions beyond these two extreme poles have been little studied. However can we reasonably assume that subsidiary managers can only alternate between “boy scout” and “subversive” attitudes? Morgan and Kristensen (2006: 1478-1479) themselves acknowledged that “*In the real world, [...] there are likely to be a variety of responses between these two extremes*”, calling for further research to explore “*the more complex picture between these two polar opposites*”.

Empirical research on change management have traditionally opposed two forms of responses to change: acceptance and resistance (Coetsee, 1999; del Val & Fuentes, 2003; Judson, 1991; Kotter & Schlesinger, 2008). Acceptance is generally used to describe behaviors that adopt and fully integrate changes and mandatory norms. At the opposite, resistance usually portrays a rejection process aiming to maintain the existing situation the established order (Coetsee, 1999; del Val & Fuentes, 2003; Ford, Ford, & D'Amelio, 2008). During the 2000s, various contributions underlined the ambiguity of some forms of opposition (Ashcraft, 2005; Peter Fleming & Sewell, 2002; Piderit, 2000). According to Erkama (Erkama, 2010, p. 152), resistance can include some signs of acceptance, while acceptance can also contain some acts of resistance. In other words, resistance and acceptance may overlap. Resistance is not always obvious or expressed through an overt opposition of subordinate actors towards managerial control. For example, acts of resistance can be initiated by leaders (Courpasson, 2011) or professional elites (Ashcraft, 2005) and can be expressed through more subtle and hidden

forms of reluctance and disobedience. The current research aims at contributing to this body of research on ambivalence of some forms of strategic responses. Our purpose is thus to move beyond the acceptance/resistance dichotomy and analyze how these two behaviors overlap and ought to be aggregated.

## **RESEARCH CONTEXT AND METHODOLOGY**

The subsidiary we selected to illustrate our theoretical concept of “ambivalent strategic response” is a site of IBM established in 1965 at Montpellier, a city located in South of France. During its first twenty-five years, IBM Montpellier was the unique manufacturing site of mainframes for the whole EMEA zone (Europe, Middle East and Africa). It had a stable and recognized position within the multinational and achieved a rapid growth in terms of headcounts and infrastructures (more than 3,000 employees in 1985 and more than 100,000 m<sup>2</sup> of buildings over 20 hectares of land reserve). After many years of growth, the early 1990s marked an important turning-point for IBM: in three years, its net profits fell down over 200%, headcounts were reduced of 20% and the company announced more than \$ 8 billion of losses in 1993. Between 1992 and 1996 the French subsidiary had to carry out heavy restructurings and faced a HQ decision to stop producing mainframes in Montpellier. While the site seemed condemned, local teams managed to take “hidden innovations”. While IBM had closed almost all its 20 European industrial sites between 1996 and 2009, Montpellier plant is one of the last 'survivors'.

The aim of this research is to bring a deep understanding of the various strategic responses elaborated by multinational's subsidiaries when confronted to the diffusion of corporate changes and practices. We analyzed strategies, behaviors, intentions and organizational changes in a dynamic and contextualized way. We thus chose to conduct a retrospective qualitative case study of IBM Montpellier in order to capture the evolution of the site.

Strategy is a social, complex and dynamic process depending on actors' perceptions of the way changes, rules or threats may affect their organization or themselves. Hence, in line with Mintzberg (1979), Van de Ven (1992), Pettigrew (1992) or Langley (1999), we believe that a suitable way to understand how and why events unfold and evolve over time, is to conduct qualitative researches and to collect rich data from which new concepts can emerge. The in-depth case study of IBM Montpellier appears to be particularly adapted to this purpose as it enables a “deep understanding of the phenomenon studied” (Miles & Huberman, 2003) and an examination of “a contemporary phenomenon in its real-life context” (Yin, 1981, p. 59).

From 2009 to 2013, we carried out this research in immersion in the plant. We gathered and combined different sources of qualitative data to analyze the strategic responses of Montpellier site to various HQ change initiatives. We focused on information regarding circumstances, events, people interactions, behaviors, beliefs and thoughts. We conducted 53 in-depth interviews of approximately 90 minutes each. The interviews were semi-structured; participants were asked to talk about their career within IBM, to describe their vision of the company evolution, and the specific role played by IBM Montpellier. We also asked specific questions about particular events, actions or intentions of stakeholders. Interviews were anonymized in order to enable a more open and spontaneous exchange with participants.

Concerning second-order data (Yin, 1989) we took into account archives, annual reports, biography and newspaper articles. We also collected data from direct observations and conversations we had with various local actors during meetings, lunches or projects we participated to during our 4 years in immersion on site. Triangulation between first-order and second order-data allowed a crosschecking ensuring the validity of our study. Some interview's analysis gave rise to new themes and to new research questions formulation. We then applied the 'theoretical sampling' technique of Corbin and Strauss (2008) to adapt our choices regarding future participants and the themes to be addressed during following interviews.

In term of data analysis, we adopted techniques of open coding, axial coding and selective coding, proposed by Corbin and Strauss (2008). While analyzing empirical material (interview, archive, article, etc.), we focused on information they contained regarding IBM's HQ strategic decisions and how IBM Montpellier responded to these initiatives. We first assigned "open" codes to stay as close as possible to informant terms and to keep a distance from our own experience and assumptions. Similar labels and concepts were grouped under categories, to provide a more abstract level representation (axial coding).

The last step of the analysis aimed at contextualizing observed phenomenon. It consisted into seeking relationships between different concepts and categories (selective coding). For each event identified, we analyzed its context (conditions); the response of local actors to this event (action/interaction); the result involved by local actors' response and how it impacted the observed phenomenon (consequences) (Corbin & Strauss, 2008).

## **RESULTS**

Data collected and analyzed allow identifying 4 forms of the subsidiary responses to the corporate decisions (see Table 1).

**Table 1:Erreur ! Pas de séquence spécifié. Results Matrix**

	Local Strategic Response 1	Local Strategic Response 2	Local Strategic Response 3	Local Strategic Response 4
Conditions	Leadership Stability Growth	Crisis Downsizing Closing threat	Business reorientation Leader's vision Restructuring	Globalization Internal competition Relocation
Action / Interaction	Execute orders Be a model site Be at the top of IBM sites' ranking	'Escalate' (Hierarchy bypassing) Reverse the closing decision	'Work in wig' Redirect site's activity towards services	Support and form the new European manufacturing site (Dublin, Ireland) Become indispensable and prevent total relocation
Consequences	Adoption of corporate best practices	Rejection of corporate decision	Anticipation and support of corporate initiative	Negotiation and modification of corporate decision and strategy

### PERIOD 1 (1965-180): GROWTH AND TECHNOLOGICAL EXCELLENCE

In the mid 1960s, two technological breakthroughs revolutionized the computer world and transformed the business model of IBM. In April 1964, IBM announced the launch of S/360 mainframe, a universal system covering a complete range of applications that had gradually become prominent in both commercial and scientific sector. At the same period, IBM introduced the *Solid Logic Technology* (SLT) used in semiconductor circuit components of the S/360. This new technology allowed the development of logical modules that were smaller, denser, faster and more energy-saving than the previous generation of transistor circuits (TTL, Transistor-Transistor Logic). These technological innovations ensured to IBM a comfortable position of leader in the computer business sector. Between 1964 and 1990, the company achieved a significant and rapid growth: the number of employees increased by 150% (375,000 employees in 1990) and earnings were multiplied per 15 (6 billion dollars of net earnings in 1990)<sup>1</sup>.

During this first period of existence, IBM Montpellier was in constant development and steadily increased its headcounts and infrastructures. As the unique European site in charge of the flagship production of IBM, it was a strategic stakeholder of the group. Interviews with former site directors and managers revealed they didn't feel the need to develop local initiatives or to look for any mandatory evolution. They were in line with IBM's global

<sup>1</sup> Data collected in IBM archives, available at the following address <http://www-03.ibm.com/ibm/history/documents/>



orientations and the site's manufacturing mission ensured them legitimacy and secured setting within the global value chain of the company. A former site director declared that until the early 1990s, local actors merely executed HQ's orders. Their main concern was to place Montpellier site at the top of IBM subsidiaries.

*“We were in the train, in a structure where the management, broadly speaking worked on rails: we received objectives and plans from HQ, we executed them and reported our results [...] At that time, the role and the purpose of the plant was producing.”* (former Montpellier manager 1)

## **PERIOD 2 (1992-1993): CRISIS, RESTRUCTURINGS AND CLOSURE THREAT**

In the early 1990s, IBM faced an unprecedented crisis that marked the end of a more-than-twenty-five-years period of growth. The competition was raising, margins were declining and, between 1990 and 1993, profits of IBM fell by over 200%. Lou Gerstner, the new chairman was appointed in April 1993 and started operating radical transformations. He first decided to centralize strategic decisions at the American headquarter. The geographical and multi-domestic organization was abandoned for a more integrated and a vertical structure focused on core competencies. These restructurings involved the closure of many plants and the displacements of 125,000 jobs between 1991 and 1994. In parallel, Lou Gerstner decided to re-design processes from services provided to customer. *“That was our first big bet – to build not just the largest but the most influential services business in the industry”* (Gerstner, 2002, p. 124). Finally, Gerstner decided to abandon the so far used bipolar technology and to adopt the CMOS technology (Complementary Metal-Oxyde-Semiconducteur).

These global transformations had a significant impact on Montpellier site: its production apparatus became obsolete, its structure went oversized and its manufacturing mission was no more in line with the IBM strategy and ambitions. The workforce was cut by more than 50% and the occupied surfaces were reduced of more than 40%. Despite these considerable costs reduction, in 1995, the Montpellier plant director received a fax from HQ announcing that the future CMOS mainframes would be no more produced at Montpellier.

*“If we had been no more in charge of producing the next systems, it would have been over. It meant that we were just finishing the current systems and shutting down the plant. This decision meant the end for IBM Montpellier. I did not accept it.”* (former Montpellier manager 2)



Concerned with the human and the social impact of the site's closure, he refused to comply to the HQ. The day after the "fax-day", the plant manager took the initiative to go to the US to convince the world director of operations to preserve Montpellier activity. He presented him a business case highlighting how the overall profitability of the group was partly dependent of the activity of the French subsidiary.

*"He [the plant manager] had very impressive nerves: one day, he caught a flight to the US and requested an appointment with the worldwide director of manufacturing. He told him that he disagreed with his decision of stopping the production in Montpellier and that he had a business case proving that it was profitable to continue to work in Montpellier. It is said that he entered by the window after being kicked out by the door. And he won, we obtained a reprieve."*

(former Montpellier middle-manager 1)

The former plant manager had formerly done a 5 years-assignment in various IBM US plants. He then had the opportunity to work and to develop a close and trustful relationship with the world director of IBM operations. The legitimacy acquired during this US assignment, associated with the favorable business plan, had a significant persuasive effect and the decision to close Montpellier site was finally abandoned. In the mid-1990s, Montpellier site became responsible of the CMOS mainframes' production for the EMEA market.

### **PERIOD 3 (1995-1996): STRATEGIC REORIENTATION AND WORK 'IN WIG'**

In the early 1990s, the IBM subsidiary of Montpellier considered that even if it succeed into downsizing and restructuring the site, and saving a part of the manufacturing mission, it was not enough to ensure the site survival at a longer term.

Hence, when a new manager got the opportunity to initiate a new activity of product demonstration, he rapidly gained the trust and the support of the director who considered this new business as a cornerstone of new value creation for customers. During an interview, the former plant manager explained that at this time, one of the main strategic purpose of L. Gerstner was to transform IBM's core business and to reorganize the company activities from customers needs: not only exploiting core competencies of the site in mainframe production, but being able to develop synergy in customers services development. In this perspective, the local management team started implementing a competence center. The purpose was to use mainframes produced in Montpellier as well as the expertise of local engineers and technicians to allow customers testing on the site, the solutions proposed by IBM sales teams.

While local management considered this new activity as a strategic orientation wanted by L. Gerstner, they feared not to be supported by the HQ and preferred carrying on a “hidden implementation”.

The local site was entirely dedicated to manufacturing at that time, and had no authorization from the HQ to perform client services. On the contrary, objectives assigned by the HQ were drastically reducing costs and headcounts and let no space for new business development.

*“We were trying to develop an activity that we were not supposed to do... Our hierarchy expected us only producing mainframes, at minimum costs, using a minimum of surface and resources... They did not want us to do anything else.”*

(former Montpellier manager 3)

While hiding this initiative to the HQ, the IBM Montpellier managers re-allocated some of the human and material resources to the development of this new service-oriented activity. During four years, this activity has thus been independently developed by the subsidiary. Local managers named this “wig working”<sup>2</sup>.

In 1996, Montpellier management took advantage of a visit from L. Gerstner to present him the demonstration center. The CEO approved this new activity and made it official, thus allowing Montpellier site to reinforce its position within the MNC. The new activity was named PSSC (Products & Solutions Support Center), and is today a European competence center employing nearly 300 people at IBM Montpellier site.

#### **PERIOD 4 (1997-2000): DUBLIN SITE ESTABLISHMENT AND ‘JUDOKA’ STRATEGY**

The late 1990s marked the rebirth of IBM and the end of several years of crisis and restructuring. IBM's revenues exceeded \$80 billion in 1998 and \$100 billion in 2008. Lou Gerstner and his successor, Sam Palmisano, pursued the strategy initiated at the beginning of the decade: the company gradually decreased its manufacturing activity and pursued its transformation in service business. In parallel, both CEOs carried on with integrating and centralizing IBM's activities. They reconsidered the organization and the implementation of IBM's value chain and made many offshore investments in low-cost countries. New manufacturing sites were established in countries offering advantages in terms of labor or tax costs and the internal competition between various IBM plants increased.

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<sup>2</sup> This idiom was used in the early days of industrialization to describe situations where workers used the tools provided by the factory to accomplish work that was not the one for which they were being paid, usually for their own personal benefit, a situation at times known or tolerated by employers.

In 1997, IBM HQ decided to take advantage of the economic attractiveness of Ireland and announced the establishment, in Dublin, of a second European plant in charge of the mainframes production for the EMEA market. The headquarter asked Montpellier site to form the new plant's teams and to accompany them in the launch of their manufacturing mission. In other words, the French subsidiary had to transfer its competences and part of its business to Dublin. Montpellier managers feared, at the long term, a relocation of the whole production activity in Dublin and felt that their future within the multinational was once again threatened.

*“In 1997, we understood that if IBM decided to build a new manufacturing site in Dublin, it meant that sooner or later, we had to transfer 100% of our production.”* (former Montpellier manager 4)

*“When the HQ told us that we not only had to transfer part of our production activity to Dublin but that also to help them starting and launching the first mainframes, it was almost like if they were asking us to cut one arm.”* (middle manager 2)

While Montpellier managers refused the idea of transferring their whole production activity to Dublin, they decided not to resist the launch of the new plant, by, for instance, slowing-down or restraining knowledge transfer. On the contrary, they chose to accompany this change and even to be a key actor of this transfer. In an interview, the plant manager of that time explained that he couldn't refuse to help Dublin but nor accepting to relocate the whole manufacturing activity. Local management chose to support the transfer while keeping control by giving a minimum of autonomy to Dublin site. Aiming to be a key agent of the change, IBM Montpellier wanted to act as a big brother and to remain a strategic subsidiary.

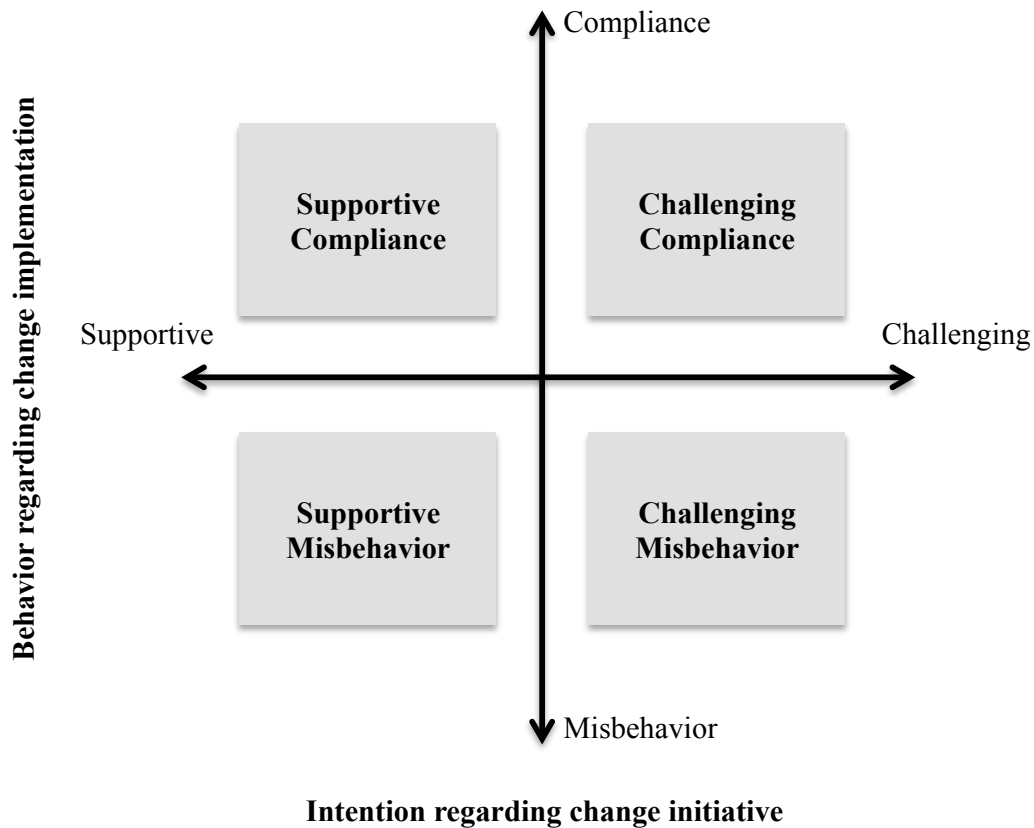
*“We explained to the parent company that we were able to support Dublin and to ensure operations of IBM European manufacturing. We were somehow their life insurance.”* (former Montpellier manager 4)

Different interviewees compared the strategy adopted by Montpellier managers at that time to “judoka's attitude”. According to them, in this kind of situation, fighting against change might be fatal and one of the best ways to resist is actually to follow the movement and understand how to take advantage of it. Based on its experience and know-how, Montpellier site managed to convince HQ to maintain in Montpellier technical parts of the production process, such as components and modules testing as well as new products introduction. The site finally coped with Dublin site establishment and succeeded into saving production activity and jobs. It even survived Dublin plant which production has been relocated to a new site in Singapore in 2009.

## DISCUSSION AND CONCLUSIONS

Based on the in-depth case study of IBM Montpellier, this research enabled to highlight four different forms of local responses to corporate changes initiatives. While the two first situations of our study appears to reflect two opposite behaviors -“acceptance” and “resistance”- well known in the literature on organizational change, the two other situations appear to be more complex and neither comparable to consent nor to dissent. The study of situations 3 and 4 has highlighted the importance not to focus only on practices and actions of actors to qualify strategic responses to change but also to consider the ends and intentions that guided them. Indeed, integrating both concepts allows to grasp the ambiguity of situations in which negative responses to change may be motivated by positive intentions; or conversely, positive responses to change may be motivated by negative intentions. In order to study the complexity of various forms of strategic responses to diffusion of change, norms or practices from HQ, we propose to consider that acceptance and resistance are not opposite notions on a same continuum but two distinct behavioral dimensions (Van Offenbeek, Boonstra, & Seo, 2012). Other studies in change management literature (Piderit, 2000; Van Offenbeek et al., 2012) showed that using a multidimensional framework for conceptualizing employee (user) attitudes toward proposed changes “*allows for the possibility of different reactions along the different dimensions*” (Piderit, 2000, p. 787). Accordingly, we propose to conceptualize subsidiaries’ strategic response to global change with two separate constructs: behavior and intention. By “behavior”, we mean the action, practices or discourses of actors, or more generally any “*physical actions that can be seen or heard*” (Matlin (1995), cited by Bovey & Hede, 2001, p. 537). Actions and practices along the behavioral dimension might range from compliance to misbehavior, which comprises “Activities [...] that (a) according to official structure, culture and rules of the organization, “should not happen” and (b) contain an element of challenge to the dominant modes of operating [...]” (Watson, 2008, p. 300). By “intention”, we mean the plan and the purpose of actors’ practices and activities. It might range from positive intentions to support the change to negative intentions to oppose and to challenge it (Piderit, 2000). We propose the following two-dimensional framework for understanding subsidiary’s responses to HQ change initiative (see Figure 1).

**Figure 1: A two-dimensional framework for understanding subsidiary's responses to global change initiative**



**Supportive compliance** refers to the first period studied and qualifies actions of managers supporting the mandatory change and perceive it as valuable for the organization and as not jeopardizing their local interests. They therefore integrate and execute HQ requirements and expectations. This type of response can be compared to compliant behaviors like “acquiescence” (Oliver, 1991) or “acceptation” (Coetsee, 1999). This kind of response can also be assimilated to “Boy Scout strategies” (Morgan & Kristensen, 2006) or to “active adoption” (Kostova & Roth, 2002, p. 229). More generally, it refers to the concept of “convergence” (Guillen, 1999; Quintanilla & Ferner, 2003; Spicer, 2006), which implies in the commitment of each national entity in a single unified global mission (M. Geppert & Williams, 2006).

**Challenging Misbehavior** refers to the second period of our study. It qualifies subsidiary's responses in which local actors refuse the change initiative and intent to defy and challenge its implementation by using formal or informal forms of misbehaviors that can range from strikes (Thompson, 1980), sabotage (Brown, 1977), skunk work (Kanter, 1988) or “wig working”

(Hatchuel, Garel, Le Masson, & Weil, 2009) to humor (Ackroyd & Thompson, 1999), cynicism (P. Fleming & Spicer, 2003) or gossip (Noon & Delbridge, 1993). This type of responses is the similar to “defiance” (Oliver, 1991), “subversive strategies” (Morgan and Kristensen, 2006), or more generally “resistance” (Ashcraft, 2005; Coetsee, 1999; Courpasson, 2011) since it is mainly used (a) to qualify behaviors that intent to reject HQ requirements and to maintain status quo (Coetsee, 1999; Lewin, 1947; Zaltman & Duncan, 1977) or (b) to qualify all overt or covert activities that actors are not expected to do (Ackroyd & Thompson, 1999; Watson, 2008).

**Supportive Misbehavior** refers to the third period of our study. It corresponds to subsidiary's responses where managers adopt subversive behaviors and practices with regards to change implementation and HQ expectations. If we only focus on strategic actions that local actors we can compare them to subversive and deviant practices. More generally, we could classify these actions with types of “challenging misbehaviors”. But on the other hand, if we focus on local actors strategic intentions and on their objectives, it appears that they are in line with the global transformation initiated by the HQ. This type of response is in line with recent studies considering that deviance is not always harmful for organizations (Galperin, 2003; Kidwell & Martin, 2005) and that some act of disobedience “*should be viewed as ethical, proper, and ultimately deliver effective outcomes for organisations*” (Richards, 2008, p. 656). Supportive Misbehavior can therefore be assimilated to ‘ambivalent strategies’ (Piderit, 2000) or to ‘positive resistance’ (David Courpasson, Dany, & Clegg, 2012) which qualifies negative responses to change that may be motivated by positive intentions and that might have constructive effect on the organization.

**Challenging Compliance** refers to our fourth period studied and qualifies subsidiary’s responses where managers refuse the change initiative and intent to challenge, deviate or even counter its implementation. The difference with challenging Misbehavior is this type of response not characterized by subversive and resistant practices but by compliant and ‘Boy Scout’ actions. By acting in conformity with HQ expectations and by fully achieving objectives assigned, the subsidiary managers try to become essential within the multinational and to actively influence, modify or negotiate the global change initiated. To our knowledge, this type of response has been largely overlooked in literature. Research on resistance to change might thus have to gain from the study of these strategies that positively respond to change but that are motivated by challenging and contesting intentions regarding its implementation.

This research gives evidence of subsidiary responses ambiguity to HQ decisions and how “boy scout” and “subversive” attitudes can be intrinsically linked. Our results go beyond the established dichotomy between ‘acceptance’ and ‘resistance’ and reveal the complexity and the ambivalence of subsidiaries strategies combining consent and dissent attitudes (Ashcraft, 2005; Piderit, 2000). By integrating behaviors and intentions in the study of local responses to global change initiatives, this research allows researchers and practitioners to identify possible forms of conflicts and resistance during major changes and transformations. It can also be helpful to distinguish *a priori* subversive practices and those that are simply an assimilation phase actually supporting the change initiative. This distinction represents an alternative to the dominant theories (Judson, 1991; Kotter & Schlesinger, 2008; Piderit, 2000; Waddell & Sohal, 1998) because postulating as not necessary to control and avoid every form of resistance. Some of them can be motivated by positive intentions regarding the change initiated or may have constructive effects on the organization and do not necessarily required to be managed by hierarchy (Meissonier & Houzé, 2010).

Our historical analysis of IBM Montpellier responses to headquarter decisions, revealed that local response evolved over time. We thus suggest future empirical researches paying more attention to this evolution since it might yield some interesting insights about why and how a subsidiary’s response might switch from one type to another one. It might help to deepen our understanding on how to manage and how to respond to change initiatives.

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