

Micropolitics in the Multinational Corporation: Foundations, Applications and New Directions

Edited by Florian A.A. Becker-Ritterspach, Susanne Blazejewski, Christoph Dörrenbächer and Mike Geppert

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In 2008, when Nokia announced the closing of its production plant in Bochum (Germany), Peer Steinbrück the former German finance minister coined the term “caravan capitalism” to describe multinational corporations’ (MNCs) politics of moving from one country to the other in search of more beneficial social and legal frameworks. Against this background, the need for directing scholarly attention towards the often-conflictual relationships between headquarters (HQs) and subsidiaries becomes evident. The goal of the authors of *Micropolitics in The Multinational Corporation: Foundations, Applications and New Directions* is to unpack and explain the dynamics of power and politics in MNCs from a micropolitical perspective.

The book is structured into four parts. Part 1 lays out the general conceptual foundations of politics, actors, interests, power and conflicts as the authors “regard these as defining elements of ‘politics’” (p. 17). These defining elements are then reviewed in ten theoretical perspectives such as contingency theory, new institutionalism or comparative capitalism among others to carve out the paradigmatic shifts that characterize the perspectives on politics in the international business and management (IB&M) literature. To zoom in on these different paradigmatic perspectives, Part 2 reviews seminal contributions on power, politics and conflicts within the “rationalistic-managerialist” school, “the institutionalist and micropolitics” school and the “critical-management” school. Part 3 “seeks to give some hands-on advice to researchers” (p. 183) by providing an analytical framework and a methodological guideline on how to research power and politics from a micropolitical perspective in MNCs. Finally, Part 4 sets the research agenda by laying out several “hot topics” for research, such as the role of discursive sensemaking, politicking and issue selling, the elite perspective or the analysis of MNCs in emerging markets.

The micropolitical perspective presented throughout the book puts “individual actors or groups of actors” (p. 90) center stage by conceptualizing a more agentic actor



than traditional institutionalist approaches. At the same time, the micropolitical perspective focuses on the social embeddedness of these actors, something that rationalistic approaches tend to neglect. Such an approach in MNC research is necessary because it analyzes organizational level processes as an outcome of individual political action and thereby combines several levels of analysis. The book's core, chapter seven, presents a stratified analytical framework that analyses organizational events along temporal and socio-spatial dimensions, by analyzing the single episode and also the actors' organizational positioning and extra-organizational situation. As social embeddedness implies that the use of power is not context-free, social norms, rules and understandings shape the resources that fashion the relationship between HQ actors and subsidiary actors (Heidenreich, 2012). Such a perspective not only allows for discursive sensemaking practices to be taken into account but also allows a focus on material arrangements and multilateral characteristics of power (Brandl and Schneider, 2017). Chapters nine and ten well illustrate the explanatory power of a micropolitical perspective when it comes to issues of individual political action, politicking and issue selling. Overall, scholars in the field of MNC can benefit from an analytical perspective that allows the tackling of under-researched issues like the role of individuals in fundamental organizational events such as organizational change, mergers, acquisitions or shutdowns.

Additionally, the authors take stock of current approaches in the field of IB&M literature as well as sociological and organizational approaches to studying MNCs. Students and early career scholars benefit from a valuable state-of-the-art literature review of the main theories on power and politics in MNCs (Geppert and Dörrenbächer, 2014) that are clustered according to three paradigmatic perspectives: the rationalistic-managerialist school, the institutionalist and micropolitics school, and the critical-management school. Each school is illustrated by several seminal articles that inform the reader of school-specific types of research questions, methods and results.

The common theme running through all the chapters is the positioning of a micropolitical perspective on power and politics against dominant approaches within the IB&M field. This is where I feel the authors got caught between a rock and a hard place unnecessarily limiting the book's persuasiveness. While comprehensively illustrating the dominant schools of thought (e.g. chapter three), critique on these schools is mentioned exclusively from a micropolitical perspective and somewhat misses the overall appreciation of contributions from these dominant schools of thought. This becomes evident when criticizing rationalistic-managerial thoughts of not theorizing "much on the ability of organizational units to shape and structure their environments" (p. 130), or of not theorizing "for variations in the behavioral orientation of different subsidiaries" (p. 126) or criticizing the new institutional perspective for not being "concerned with the question of such organizational-level outcomes are constituted by micro-level actors and agency" (p. 86). This is not to say that these arguments cannot be made, but they weaken the persuasiveness of the micropolitical approach as a new and stand-alone perspective on power and politics in MNCs. Readers might miss the clear-cut argument of and for the micropolitical perspective when entangled with the literature review. It would have been helpful maybe to lay out the relevance and conceptualization of the micropolitical perspective including the analytical framework up-front, as the title suggests, to be then followed by a critical

appreciation of other dominant schools of thought in the field and their seminal contributions. However, while critique of the dominant schools is needed, the micropolitical perspective is an essential complement to the existing approaches as it provides a micro-foundation to the global understanding of MNCs.

This book directs scholarly attention towards the actors and their actions, especially in subsidiaries, which is a neglected topic in this field of research and highly relevant given that actors, their interests and their resources are constituted by complex contexts (p. 202). I can therefore highly recommend this book both to advanced students in international business already familiar with the main MNC concepts as well as to researchers in the fields of IB&M, organization studies, human resource management, (economic) sociology and even economic history. Against the backdrop of the metaphor of the MNC headquarters as a “caravan”, the underlying question that is being asked is: How can we explain power relations between HQ actors and subsidiary actors and what can we tell about how actors mobilize power resources? In search for theoretical approaches, a conceptual framing, methodological guidance and further research directions, this book provides all the answers.

Anna Schneider

*University of Innsbruck, School of Management/Human Resource Management Unit,
Innsbruck, Austria*

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