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# MNE CENTER-SUBSIDIARY DYNAMIC RELATIONSHIP OF CENTER-LED CHANGE INITIATIVES FROM AN ACTOR-CENTERED APPROACH

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## *Abstract*

In the general IB literature, the processes or dynamics of micro-political behaviors of center-led change initiatives are areas of limited research; little is known about the managers' interplay within. In this article, we demonstrate some of the patterns of interaction enacted by center and subsidiary managers involved in center-led change initiatives and how they influence the development and outcome of those initiatives. This article contributes to the sensemaking in change literature by illustrating detailed accounts of how the interplay between center and subsidiary managers determine the outcome of change initiatives. This multiple embedded case study performed at a mobile network operator MNE suggests that early subsidiary's involvement is key to ensure a strong buy-in throughout the development stage of the change initiative.

The subsidiary that adopts the most center-led initiatives displays intense sensemaking by managers at both the center-subsidiary and at the subsidiary level. In the subsidiary that goes beyond adoption and into the realm of adaptation, high levels of organizational sensemaking and sensegiving were happening at the same time. Sensemaking and sensegiving were active even at the subsidiary-to-subsidiary manager level. Center managers should consider stronger and deeper sensegiving at the development initiatives stage. This study suggests that the center-led initiatives' outcome mostly depends on the center managers' role and guidance throughout the critical development stage.

**Keywords:** MNE, sensemaking, sensegiving, subsidiary, managers, change.

## 1. Introduction

This paper is based on Bartlett and Ghoshal's (2002) argument that competitive environments determine the organisational form of multinational enterprises (MNE). Basically, an MNE is a firm that consists of a center that operates multiple subsidiaries in different geographical areas. Most MNE studies in the 1960s and 1970s frame the center as their primary unit of analysis, as many considered it as the focal point for strategic decisions. This clearly reflected the classic theme of the MNE as a center dominated organisation during this period. In the 1980s, the ground breaking research by Bartlett and Ghoshal (2002) identified a new MNE form, the "transnational company" (TNC) that created a paradigm shift in how researchers study the MNE. Due to this new development of the TNC, with its different units, linkages and relationships, it became apparent that researchers needed to understand more about the role of the subsidiary than before.

MNEs often operate as international firms within national boundaries with headquarters, often seeking to integrate and organize by implanting central processes and practices among subsidiaries. A range of MNE subsidiary literature has been published by scholars that range from Balogun and colleagues' (2015) work on subsidiary strategic change based in UK to Fitzgerald and Rowley's (2016) review of multi-national corporations (MNCs) based in Asia Pacific. One area of interest, to this study, is about subsidiary autonomy. While others argue that subsidiaries are geographically distant from the HQ may have contributed to their relative autonomy, Birkinshaw (2000), on the hand, argues that subsidiaries that control a large amount of resources and have critical linkages with key actors residing locally, are more valued by and less dependent on the headquarters. Subsidiaries often defend and attempt to project their local processes and practices; often drawing upon power resources such as knowledge of local environments (Geppert & Williams, 2006; Mudambi, Pedersen, & Andersson, 2014). Subsidiaries' autonomous behaviours can also take the form of resistant or self-preservation seeking behaviour (Wilhelm & Bort, 2013) which will disturb the balance of MNEs' interdependent-independent relationships. Taken together, the increase in subsidiary autonomy alters the independence-interdependence equilibrium of the HQ-subsidiary relationship. In center-led change initiatives, this may lead to a range of micro-political struggles when the subsidiaries attempt to preserve their interests (Hope, 2010).

It is well evidenced that subsidiary managers have more autonomy than has potentially been recognised and they will not necessarily follow what the headquarters instruct them to do (Boussebaa, 2009; Mudambi et al., 2014); they have within their power bases a range of approaches for self-preservation such as through negotiation (Bouquet & Birkinshaw, 2008a, 2008b). Depending on the subsidiary managers' decision, they can enact several micro-political behaviours to delay or circumvent the implementation of center-led change initiatives. This can have serious consequences to change initiatives championed by the centers. Micro-political behaviours enacted by subsidiary managers are not intended to protect the interest of the subsidiary alone, depending on the intention of the individuals that enact them; they may also carry personal agenda such as career ambition (Dorrenbacher & Geppert, 2009; Wilhelm, & Bort, 2013).

In the general IB literature, the processes or dynamics of micro-political behaviours of center-led change initiatives are areas of limited research. Although numerous studies have attempted to explain the

center-subsidiary relationship, only a few attempt to look at the impact of power, politics and conflicts in MNEs (Dorrenbacher & Geppert, 2006, 2009), arguing that managerial practices are not straightforward impositions of global organisation rationalities but more of an interactive process (Geppert, Williams, & Matten, 2003). What is missing in the IB literature, as pointed out by Dorrenbacher and Geppert (2006) are detailed studies of how certain processes such as strategic change unfolds, taking into account the different interactions between actors in times of change (Lockett, Currie, Finn, Martin, & Waring, 2013). The research to date too has tended to approach mostly from the outside rather than from the inside which may be due to the issue of access. However, if we are to study the strategic role managers' play; the nuance relating to them should best be studied from inside the company.

Scholars such as Dorrenbacher and Geppert (2006), Dorrenbacher and Gammelgaard (2006), Clark and Geppert (2011), and Balogun, Jarzabkowski, and Vaara (2011) have gone beyond the structuralist approach, by exploring roles of key actors such as top and key managers, through direct interviews. Such detailed accounts of a direct interview with a MNE center and subsidiary managers can help us to better understand some of their "irrational" actions in change processes.

Although, center-led change initiatives are not uncommon in MNE studies that include post-merger integration, Balogun and colleagues (2005) work outlines exploitation of across business synergies and implementing more integrative structures, however, little is known of how they unfold.

## 2.   Problem Statement

One particular aspect of the central to this paper has emerge recently within this MNE subsidiary stream is that, the subsidiary, through entrepreneurial activities, can improve its status within the MNE (Bouquet, & Birkinshaw, 2008b). The reality is that the scope of activities of subsidiaries from combination of external and internal factors. Mudambi et al. (2014) deduce that where center is dependent on the subsidiaries capabilities, the latter will have some influence towards the former. Following that it is up to the managers to decide from the many option available to them, from within and without, which one is the best (Birkinshaw, Hood, & Young, 2005; Bouquet, & Birkinshaw, 2008b).

However, the main weakness of the MNE subsidiary study stream is the failure to address how subsidiaries use some of their newly established status though increased autonomy, to choose through, for example, negotiation with the MNE center in determining which option is best for them. What essentially missing is the understanding of how subsidiary managers come to decide what is best for them or their subsidiary; many of the options are determined through negotiations with relevant parties such as the center managers. Change development involve several interplays between top management, key managers and employees that can take steer the course of the original change objective (Hope, 2010). In reality, negotiations between the MNE center and subsidiaries are in fact a function of the different patterns of interaction between center and subsidiary managers.

In order for us to unpack the interplay between actors or managers involved in center-led change initiative we follow Paull and colleagues (2013). They propose how sensemaking of managers sensemaking strengthen sensemaking as an analytical and interpretation tool. Maitlis and Christianson (2014) further assert that there seems to be a vacuum in the body of knowledge at the actor level especially those that examine between sensemaking and key team processes.

## 3. Research Questions

This study draws on phenomenological, real case of the implementation of center-led change initiatives across subsidiaries of an Asian based telecommunication service operator. It focuses on the strategic role the center and subsidiary managers play in the implementation of center-led change initiatives. In doing so, several elements were analysed such as different patterns of interaction enacted by center and subsidiary managers and how that influences the development of center-led change initiatives. Together, this then led to the formation of the research questions:

3.1. What are the patterns of interaction enacted by center and subsidiary managers involved in center-led change initiatives?

3.2. How do these patterns of interaction influence the development of center-led change initiatives?

3.3. What are the implications of these patterns of interaction towards the outcome of the center-led change initiatives?

## 4. Purpose of the Study

The purpose of this paper is to investigate what happens when a center-led change initiative is implemented across several MNE subsidiaries. The authors consider the role of sensemaking as both an interpretive and theoretical tool in resolving managers' ambiguity as the result of organizational changes.

## 5. Research Methods

The aim of this paper is to explore the role of managers in the development of center-led initiatives and how they influence the outcome of change. However, preceding literature review shows how center-led change initiatives, get implemented with elements from both without and within, and are contingent to the emergence of subsidiary managers' autonomy and their capability to do otherwise (Bouquet & Birkinshaw, 2008a, 2008b). Therefore, consistent with this paper's approach, and our interest in understanding how the implementation of center-led change initiatives are affected by the different patterns of interaction between center and subsidiary managers, this study was conducted from a qualitative approach. The theoretical lense for this study is best described as interpretive, applying sensemaking (Weick, 1995) and through a multiple embedded case study method (Yin, 2003).

The empirical investigation drew on the development of center-led change initiatives in a mobile network operator MNE. The MNE is headquartered (hereinafter *CenCo*) in Malaysia with four subsidiaries in different parts of Asia. One subsidiary is in Kuala Lumpur - Malaysia (hereinafter *MyCo*), another in Colombo - Sri Lanka (hereinafter *LaCo*), next in Jakarta - Indonesia (hereinafter *InCo*) and finally in Dhaka - Bangladesh (hereinafter *BaCo*). Among the four subsidiaries, *MyCo* and *InCo* are more influential than the other two as they are significant contributor to *CenCo* as an MNE in terms of revenue and mobile subscriber base.

*CenCo* operates various department centrally such as in human resource, regulatory and company secretarial. When we describe *CenCo* or other *Cos*, they refer to the manager(s) involve in the change

initiative. During an earlier pilot study at *CenCo*, one department was identified for this research as they were involved in various center-led initiatives[1] each at different development stages.

Three center-led initiatives were identified based on strong business needs and best MNE practices. The initiatives form the primary unit of analysis for exploration from the MNE center transcending into its subsidiaries. The center-led initiatives were implement in a department with a shared service operation tasked to assess and prepare control and risk assurance reports. This department is strategically controlled at *CenCo* by a head of department. Each subsidiary is headed by a department manager with a team of between eight to sixteen staffs.

The three initiatives identified are *CenCo* management system (hereinafter CEMS), a standard operating manual (hereinafter *SOM*) and a competency model framework (hereinafter CMF). CEMS is a central database system (based in Kuala Lumpur) designed as a standardised real-time reporting platform, while SOM is a standardize department process and procedure, and finally CMF is a competency model framework. Data was gathered through twenty-two semi-structured field interviews with the center's head of department, centers' project managers, subsidiary managers, subsidiary staffs and other stakeholders such as the board committee members and vendors.

Semi-structured interviews were chosen to allow interviewees freedom to express matters pertaining to their unique experience and within their own meaning constructs. Confidentiality was conveyed as one of the most important aspect of data handling for this research. This part of the review was shared with the interviewees during the start of each session so they would be urged to share their encounters openly. A considerable measure of effort was put into making the sessions as casual as possible with interviews conducted either in formal or informal settings.

Since we need to explore different people's perspectives, this requires a form of triangulation that enables us to explore different perspectives of multiple respondents and data sources (Gioia, Thomas, Clark, & Chittipeddi, 1994). Triangulation is used to look for differences from the multiple interviews collected, differences between interviews and from the secondary sources. Other than improving data validity, triangulation method allows us to approach the research problem and helps us to understand for example, the center managers' thinking versus the subsidiary managers' thinking.

The interviews lasted between 20 to 100 minutes per session were conducted between March 2014 and May 2016 amounting to approximately eighteen interview hours. All interviews were tape recorded except for 2 hours in which case they were hand written and transcribed immediately after the interview. Additional to the semi-structured interviews, several secondary data were collected such as minute of meetings, board meeting papers, email communications, policy manuals and reports. The primary researcher was also granted permission to attend some of the meetings as an observer. NVIVO10 was used to organize the voluminous amount of data and later as a tool to support findings that emerge from the analysis.

The primary researcher had previously worked with one of *CenCo's* subsidiary hence the rapport established earlier allows easy access for this study.

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[1] For this paper (word limit), one interrelated center-led initiatives development is discussed namely CEMS.

## 6.    Findings

In what follows, we illustrate how the several actors or individuals interact to shape the meaning of change through their communication and meaning construction. We trace this from the first stage of CEMS' development-the planning and implementation stage and later at the steady state, we call business-as-usual (hereinafter BAU). Our findings extend as follows.

First, we describe the interplay and enacted environment between *CenCo* manager and the subsidiary managers. We then repeat this process for each subsidiary manager with their internal staffs in each country. Second, we examine how these different interactions serve as feeders during the sensegiving and sensemaking processes. Both the first and the second approach above provide the necessary context that sets up the analyses of data related to the first two research questions. Third, we examine how other types of interplay and enacted environment such as among peer subsidiaries manifest in the informal discussion rooms that helps shape the sensemaking about change. This then finally form the context that sets up the analyses of data related to the third research question.

### 6.1. Planning/Implementation Phase

*Sensemaking/sensegiving – CenCo and subsidiary:*  *CenCo* introduced the CEMS initiative after they obtained the Board's approval in late 2012. They then searched for a solution provider from several vendors before finally deciding on one in early 2013.  A presentation on CEMS initiative was done at the regional meeting (hereinafter RM[2]) held in Kuala Lumpur. The objectives of CEMS were deliberated and high level ideas exchanged among the managers. *CenCo*'s manager outlines that the CEMS initiative is the right move for them:

> 'Our overall idea is this we are hoping as a multinational company, how do multinational
> company managed to exist for number of many, many years, it's not because they have a set
> of separate people or because they try to get the best people in, it's because of their system –
> they have a strong system and process.'

*CenCo's* introduction of CEMS's to all at the time is best described as persuasive and engaging. They informed the subsidiaries that CEMS was approved at the Board, thus, it needs to be implemented. What follows several RMs later is that discussions were much deeper as the objective, timeline and cost implications were being discussed. CEMS status update then became a permanent RM agenda, *CenCo* made a point that each subsidiary CEMS's usage was presented.  In several RMs later, disagreements on cost and data confidentiality were highlighted by *BaCo* and *InCo* respectively.  *LaCo* on the other hand raised issue about remote accessibility and stability of CEMS. *CenCo* responded partly in that, all license fees of CEMS shall be at no cost to subsidiaries while data confidentiality was assured by the *CenCo's* data center team.

*InCo's* manager reiterate several times that their country regulation requires that all data must be within the country it operates. This is contrary to how the CEMS system operates, that is, all data are centrally located in Malaysia. Although *InCo's* manager incessantly explained that the CEMS system is not operating lawfully in Indonesia but it was to no avail. He summed up the attitude of *CenCo,* "so it's like use or explain, kind of attitude." This confrontation between *InCo* and *CenCo* until it eventually led

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[2] RM is an operational meeting held quarterly and attended by all department heads of *CenCo* subsidiaries.

to *InCo* opting out and building their own CEMS system[3] with the database residing within their country borders. This process where *InCo* successfully managed to opt out from CEMS was a complex round of discussions that involve the *InCo* regulatory team and one board committee member. The first author, present as an observer, witnessed a heated argument between *InCo's* manager and *CenCo* in one RM in mid-2013 arguing about the potential penalties from the regulators due to the database location issue. Other subsidiaries such as *BaCo* and *LaCo* began to sensemake that CEMS was being too center centric, they saw that a lot CEMS's features pre-decided and put to them by *CenCo*.

During the implementation stage, there were several major issues or barriers that was identified. They range from limited bandwidth, access ports, user friendliness of CEMS and others. Post the early implementation stage, *CenCo* realised that CEMS was hardly being used, reports were still prepared manually rather than via CEMS. *CenCo* began to put pressure, they again cited the Board's mandate and that it was imperative for subsidiaries to comply.

Many of these earlier issues were still not addressed, subsidiary managers question among themselves CEMS's purpose and objective. *InCo's* manager said that *CenCo's* approach shifts from supportive to more directive, put simply "use or explain" was not taken lightly by the rest. Subsidiary managers felt that the CEMS initiative was mainly serve to benefit *CenCo* and not the subsidiaries. This was further reinforced when it was made known later to them that the CEMS initiative is one of *CenCo's* major key performance indicator (hereinafter KPI) for 2013.

*Sensemaking/sensegiving – internal subsidiary:* Subsidiary managers held their own divisional monthly meetings attended by their respective staffs. In subsidiary divisional meetings, they held various agendas that includes corporate communications and sustainability issues, day-to-day operational issues and occasionally news from *CenCo*. In mid-2013, at the divisional meeting, each subsidiary manager conveyed to their respective staffs the CEMS's initiative.

Subsidiary managers sensegive their staffs that CEMS was about improvement in the work process, it was about shorter reporting cycle time and virtual work. Subsidiary staffs on the other hand, already burdened with a heavy daily workload mainly consisting of fieldwork and reporting, was quite sceptical about CEMS. *BaCo* and *LaCo's* managers when a little further, they envisioned that CEMS will eventually lead to reduce storage space, paper and eventually overall cost; each led a "Go Green" campaign at their respective department.

In contrast, subsidiary staffs were not concerned about cost saving as that do not form parts of their KPI. They saw CEMS as *CenCo's* key initiative and their managers were just pawns to serve the HQ. *LaCo's* staffs even believed that CEMS was part *CenCo's* long term plan to increase automation. Hence, to them CEMS's usage was purely voluntary for the first year.

As CEMS usage was low, with *CenCo* consistently put pressure on subsidiary managers, they in turn introduce specific staff KPI on CEMS usage to drive behavioral change. Although this had some initial profound reaction from staffs in the increase of CEMS's usage, other problems began to surface and diluted this effort. CEMS users outside Malaysia mainly *LaCo* and *BaCo* regularly experience 'time outs'. This is where users were logged out from CEMS after more than 30 minutes of usage. At other times, users had issues to sign-on into CEMS.

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[3] The CEMS system developed for *InCo* was from by same vendor as *CenCo's* with similar framework and specifications.

### 6.2. Business-As-Usual Phase

*Sensemaking/sensegiving – CenCo and subsidiary:* CenCo sensegive to its subsidiaries that CEMS is given free of charge and it helps to elevate their status as a group to more of an established MNE worldwide. For the year ending 2013, *CenCo* achieved a KPI level-L5[4] primarily due to the successful CEMS rollout across its subsidiaries. However, no subsidiary had achieved L5 as their KPI were tied to CEMS usage rather than rollout.

Post the BAU phase, CEMS was introduced as a module for new entrant to the department in the yearly Kickstart[5] orientation program. Other than that, *CenCo* had set CEMS as a permanent agenda at RMs to track and monitor its usage. This effort helps to ensure traction and momentum for CEMS's usage.

To the *LaCo* and *BaCo* managers, they felt that CEMS was more about a project to *CenCo* rather than a paradigm shift on new ways of how to do the work. *CenCo* was seen more concern at driving the CEMS initiative but less about the detail ongoing of its implementation.

*InCo's* manager in his own words elaborated,

> 'So why has the failure at the center? And not in my side, in my opinion because I decided that for a major shift of paradigm and behavior this requires dedication. So, we create our own small team, right? So, we call it the quality and the technical team that look and focuses more on this initiative of CEMS.'

Notably, *BaCo* and *InCo* were more aggressive than their other subsidiary peers, they go to a certain effort to make CEMS as a workable system. While *InCo* had more freedom to explore CEMS as a standalone system, however it was *BaCo* that had to improvised and work within the limited in house resource they had. *MyCo* as a local subsidiary hardly use CEMS and mostly felt that the CEMS implementation requires regular leadership, guidance and push as opposed to *CenCo's* never-ending concern on its usage.

*Sensemaking/sensegiving – internal subsidiary:* As the number of CEMS users grew, resulting from *CenCo's* pressure, numerous issues relating to system, accessibility began to mount; issues were limited to *BaCo* and *LaCo*. *BaCo's* manager approach was more prescriptive, problem solving and action oriented. They introduced a simple one page CEMS-101 checklist on a spreadsheet, these guides the user step-by-step on how to use CEMS. *BaCo's* manager further introduced CEMS related KPI element for the year, in tandem with a CEMS-101 checklist. All these efforts involve a lot of trial and error, and *BaCo's* staff had to perform several workarounds such as working on weekends or working during non-peak hours.

*BaCo's* staffs sensemake that the CEMS initiative is a time waster and it is an added burden, unnecessary to their daily routine, they call it "dumping data system or double work". One staff mentioned,

> '…there was no interactive reporting mainly because I think of the network connectivity issue[6], so we were actually using it (CEMS) as a repository just to keep on reports

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[4] L1 being under performer, 3 being average performer and L5 being top performer.
[5] The kickstart program is a four-day orientation program for the department's new joiners and is run by the senior members.
[6] Network connectivity issue also refers to timeouts due to lack of bandwidth at *BaCo*.

"dumping data" after the work. There was no sort of ongoing work within the system, it

just acted as a repository.'

As for *LaCo,* the manager sensegive that the CEMS initiative is all about a paperless environment, he enhanced further the "Go Green" project with out-of-office retreat to celebrate small CEMS achievements. However, as *LaCo's* staffs believe that CEMS usage was still at a trial stage, usage was low and they remain as laggards as for CEMS's usage.

*Sensemaking/sensegiving – subsidiary and subsidiary (the Rebel Alliance):* InCo and *BaCo* managers related their displeasure about *CenCo*'s disparate treatment on matters concerning set milestones and deliverables. The local subsidiary, *MyCo* though clearly lags other subsidiaries was less pressured. As *CenCo* put pressure for CEMS's usage, subsidiary managers began to discuss this more openly. They voiced out their dissatisfaction about the different treatment during the RMs, but *CenCo* incessantly ignored this.

In one of our in-depth interviews, we discovered an informal alliance among *InCo, BaCo* and *LaCo* managers. Through formal and informal discussions, they had formed a pact, they call themselves the "Rebel Alliance". *LaCo's* manager elaborated,

'… we had to agree among ourselves and not like having a 'rebel alliance' per se, just

the three of us, we were brainstorming, how do we share, how do we use this system

more effectively so that it can benefit not ourselves, but the group as a whole, that's how

we managed to position CEMS as the system that we can use in our daily work not just

a repository system.'

At the height of many disagreements between subsidiary managers and *CenCo,* the alliance sensegive that CEMS's implementation was in disarray with many issues unresolved, they requested for a post mortem be done. After several discussions, the *CenCo* eventually conceded and agreed to perform a CEMS post implementation review (hereinafter PIR) to be led by *BaCo's* manager. The PIR identified seven major findings, namely i) poor project management, ii) non-utilization of CEMS modules, iii) inadequate training provided, iv) unclear KPI achievement expectations, v) inconsistent usage of CEMS, vi) inadequate system administration and vii) unrealized project benefits. The CEMS PIR was presented at *CenCo's* divisional meeting attended by all from *CenCo* and *MyCo*; no one contested the report's findings.

Post the CEMS PIR presentation, *CenCo* instructed *BaCo's* manager not to publish the report. *LaCo's manager* added,

'… and (laughed) officially the report never came out because the person who reviewed

the implementation, the project that actually come out with CEMS for the Group was our

own buddy we know actually what happened behind the scene.'

## 7. Conclusion

The overall findings suggest that subsidiaries that made significant progress implementing one or more center-led initiatives were those that engaged in both sensemaking and sensegiving processes. Three patterns of sensemaking/sensegiving appear to drive the center-led initiatives from the planning/implementation to BAU phase, namely 1) communication intensity, 2) adoption of change and

3) resolution to barriers. Communication intensity refers to the level of sensemaking and sensegiving enacted by managers throughout the development of change. Adoption to change refers to the level of change, this ranges from low level of adoption to those that go beyond ceremonial adoption (Kostova & Roth, 2002). Lastly, resolution to barriers refers to efforts taken to overcome barriers to change initiative. We see that those that made the most significant progress among the four subsidiaries were *InCo* and *BaCo*. They were early adopters of change, by being early at addressing difficulties and pressure (Higgins, Stubbs, & Love, 2014), they shape the meaning of CEMS.

*CenCo's* manager employ coopetition[7] strategy (Luo, 2005) implemented through sensegiving the meaning of CEMS, to the group and presenting the statistics on CEMS usage. *LaCo, BaCo, MyCo* and *InCo* managers as change recipients (Guiette & Vandenbempt, 2017; Lundgren-Henriksson & Kock, 2016) at times in were at a state of confusion due to the imposed implementation by *CenCo*. Here, we see middle managers attempt to make sense of the situation (Maitlis, 2005; Sonenshein, 2010) with their different set of individual view of the situation. It is within this array of confusion that they huddled together in what they call themselves as the "rebel alliance". Consistent with Giuliani's (2016) work on sensebreaking (Vlaar, Van Fenema, & Tiwari, 2008), we found that during the change development, alliance members assign different meanings to CEMS calling it "double work", "failure" and "repository system". Here we showed how the rebel alliance played a more protagonist role (Maitlis & Christianson, 2014) where we unravel how the interplay between organizations and their members interpret change, steer the course of change.

By far *InCo* achieved the highest level of CEMS's adoption displayed through a strong internalization characterised with new innovative use of CEMS i.e. web based and data analytics. *InCo* displayed intense sensegiving and sensemaking activity, they make sense of things before assigning meaning to it. They then adopt them into managerial practices within the organization (Park, 2014; Scarduzio & Tracy, 2015).

*CenCo's* persistency at maintaining exclusivity in their decision-making processes according to Filstad (2014) may have led to contradiction between their own sensemaking and sensegiving processes. Consistent with Kezar (2013), we too saw that not only sensemaking and sensegiving was prevalent throughout CEMS's development but its nature alters slightly along the way from a real-time to a repository system. In reality, *BaCo* and *InCo* were the furthest in terms of geographic distance from *CenCo*. However, our finding suggest that contextual distance is more prominent than geographical distance when it involves headquarter value creation was consistent with the work of Beugelsdijk, Nell, and Ambos (2017).

At the end of 2016, only *BaCo* and *InCo* were active CEMS users while others were hardly using it. We acknowledge that the other *CenCo's* initiatives such as the SOM and CFM were hardly discussed in this paper. However, we deduced that out of the three initiatives, CEMS was the most complex and arduous change initiative. Furthermore, the findings of the other two initiatives were similar to that of CEMS's.

We recommend that leaders at MNE center need to target their effort towards subsidiary managers, as managers need assurance, leaders should not ignore uncertainty among managers in change. This need

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[7] Refers to simultaneous use of cooperation and competition strategy.

to be steered through sensegiving providing them a certain assurance through sensemaking (Kraft, Sparr, & Peus, 2016). We also recommend that MNE center must involve subsidiaries at the very earliest stage of change and to go in-depth at understanding not only the complexity of change but its underlying structures about change (Guiette, Matthyssens, & Vandenbempt, 2014). We humbly believe that this study has made a small incremental contribution in a new area of scholarship within the realm of hindsight-foresight temporal dynamics of sensemaking and sensegiving (MacKay, & Parks, 2013).

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