TAKING CHARGE
– To improve the intraorganizational position by means of a regional strategic network among competitors

ABSTRACT

Subunits act under a constant threat of closure, relocation, or downsizing of tasks and employees. We have addressed the issues of evolving organizational strategy and subunit strategizing by studying how an RSN including competitive actors can be used by subunit managers for strengthening a unit's position within the organizational hierarchy. It is concluded that networks can be used as resources for the local subunit to affect its position internally within the organization. However, the activities to affect the headquarters also had a positive effect on the position of the subunit within the local and regional network as well where new and stronger relationships evolved as a result.

Keywords: position, power, taking-charge, organization.

INTRODUCTION

Business markets are inherently dynamic; opportunities and threats of various kinds cause competition not only between companies but also within them as subordinate entities of large corporations, national as well as multinational, compete for the headquarter's attention and for a more prominent place in the hierarchy. Most research within the IMP tradition has focused on formation of resources and networks for the purpose of gaining external power (cf. Håkansson and Gadde, 1992). We argue however, that the formation of networks, and activities within networks, can also be formed as a way for subunits to affect internal power, in other words, the position of a subunit within its organization. Research on intraorganizational units' ways of improving their intraorganizational position has lately most vividly been conducted within the field of international business. However, in line with several other researchers (e.g. Bouquet and Birkinshaw, 2008; Young and Tavares, 2004), we argue that most issues of MNC subsidiaries are relevant for subunits of national organizations as well.

Subunits act under a constant threat of closure, relocation, or downsizing of tasks and employees. Their dependency on the headquarters' decisions on resource allocation creates a two-folded, and somewhat conflicting, need for action. On the one hand there is a need to compete internally for resources. This calls for trying to secure headquarter's attention and for attempting to improve the subunit's position in the internal hierarchy by influencing headquarter's decisions on the allocation of scarce resources. However, for such initiatives to be positively received by headquarters, the subunit also needs to show commitment and loyalty to the company as a whole. Managers in charge of such units will thus try to improve their unit's position and increase the resources at their disposal by various forms of initiatives while trying to avoid unnecessary conflicts with the headquarter or other units (Ambos et al., 2010).

The second need that the subsidiary perceives is the need for autonomy, the possibility to make decisions with limited interference from others (Ambos et al., 2010). Increased autonomy implies increased freedom of action and less headquarter restrictions. Accordingly, if there is a belief, or company history, that increased attention might lead to increased control and less attention allow for more liberty of action, the implication is that headquarters attention should be reduced: "Although the level of headquarters attention will not always be directly aligned with the strategic role of a subsidiary, it plays an important part in influencing any long-term changes in that role" (Bouquet and Birkinshaw, 2008: 594). The subunit thus has to strike a delicate balance. It has to try to achieve the necessary level of attention allowing it to put forward its arguments for keeping or improving its position, while not causing the headquarter to scrutinize its actions in a way that reduces its freedom of action or reduces its access to internal resources.

Furthermore, the headquarter reaction to subunits that try to maneuver for positioning themselves internally and/or to become more autonomous can be ambivalent as the headquarter both wants to monitor and control the subsidiary so that it is in line with the headquarter directives and to give it liberty to be innovative and develop ways of working that might be used for improvements by other units as well (Astley and Zajac, 1991). The problem for the headquarter is to know in advance which of the subsidiary's activities and initiatives will have a positive effect and which will have a negative effect on the corporation as a whole. The implication is that headquarters both encourage and are suspicious towards subsidiaries' initiatives.

The needs of headquarters and subunits can be understood as a struggle for power and dependence. According to several researchers (Ambos et al., 2010; Mudambi and Navarra, 2004; Astley and Sachdeva, 1984) such a struggle can be understood as a dynamic bargaining process on resources. A classic discussion of power is provided by Dahl (1957) who equates power with the ability to force others to undertake specific actions against their own will. That kind of power is rarely within reach for a subunit manager towards superiors. In that position it is rather a matter of being able to influence decisions to a greater or lesser degree that can have an effect on the subsidiary's power and dependence internally as well externally. For a subunit, one way of reaching a higher influence on the whole corporation and achieving more autonomy and power over headquarters is by having access to strategically important resources. Access to such resources can increase the subsidiary's bargaining power and thus its influence over headquarter. This quest for influence and resources has mainly been the object of study in research on multinational corporations, MNCs, less frequently so within the IMP tradition. Furthermore, on the multinational agenda there has mostly been a top-down approach focusing on how headquarters exercise power over subsidiaries (Bouquet and Birkinshaw, 2008; Roth and Nigh, 1992). Research most often does not provide insights to the sources of the subsidiary's influence and power in relation to the headquarters (Ambos et al., 2010). Such a perspective can, however, as stressed by for instance Dutton and Ashford (1993), illustrate the emergent nature of strategy and how lower-level managers can have an impact on strategic decisions made by superiors. Still, "much of the research on subsidiary roles/strategies and evolution has been conceptual rather than empirical" (Young and Tavares, 2004: 226).

Managerial agency can change the intra-organizational power balance (Kanter, 1982), but for subunit managers with limited space for actions outside the ordinary business activities, it takes creativity, an open mind and sometimes even courage to identify and undertake actions that can make a difference.

The purpose of this paper is to explore, but also explain, how subunit managers can activate a network to strengthen their influence on, and power in relation vis-á-vis, headquarters and other units within their corporation. In order to illustrate how subunits managers can maneuver to gain power through networks, we present a case of competitors forming and cooperating within a regional strategic network (RSN) to influence headquarters.

In order to understand the activities we will also consider extrarole behavior. Extrarole behavior has been recognized as important for bringing about organizational change but the motives behind such actions still remain a sparsely researched topic (Morrison and Phelps, 1999). We address these research questions by means of a case study.

In the presented case some of the participants in the RSN are local offices of national firms, some are local offices of subsidiaries to multinational corporations, one is an independent unit, one is a public organization and one is a regional university. We will focus on the subunits which share the above presented needs for attention as well as autonomy.

In the following we discuss managerial motives and actions to take charge and how a regional network is activated as a means to increase the internal position of a subunit. Thereafter our case study method and the case are presented followed by conclusions, managerial implications, limitations and suggestions for further research.

Subunit managers have a vulnerable organizational position as they are both an accomplice of the headquarter team and a manager with a responsibility for developing and securing the well-being of their own organizational unit (Sims, 2003). They have a boundary spanning role and are likely to have a dual organizational identification encompassing both the subunit and the headquarter with a varying degree of overlap (Vora and Kostova, 2007). Their possibilities to interact with headquarters or gain its attention will be limited as both headquarters and subunit manager's work under heavy time restrictions. Furthermore, the occasions for interaction will vary from informal to formal and from private to public meetings. Dutton and Ashford (1993)argue that the more public the occasion, the greater is the likelihood that superiors will spend time on the issue since they may feel obliged to pay attention to subordinates' concerns and ideas. However, they add, the superiors may resent having to spend time on issues chosen by others which may negatively impact not only upon how the issue is received, but also on the image of the issue seller (the subunit manager).

Managers may try to influence their position vis-à-vis headquarters in a way that follows from their organizational role or through discretionary, that is not formally required, called extrarole behavior. Morrison and Phelps define a type of extrarole behavior that they denote taking charge as "voluntary and constructive efforts, by individual employees, to effect organizationally functional change with respect to how work is executed within the contexts of their jobs, work units or organizations" (1999: 403). It represents change-oriented action aimed at improvement; the argumentation of the local unit towards the headquarters will thus imply that changes in favor of a particular subunit will improve the outcome not only for this particular unit but for the organization as a whole. Other concepts than taking charge have been launched for extrarole behavior, such as organizational citizenship, dissent, whistleblowing, voice, issue selling, task revision and personal initiative. For a thorough clarification of how these concepts relate to taking charge see Morrison and Phelps (1999). In short, they argue that organizational citizenship mainly concerns modest changes, that dissent, whistleblowing and voice are based on a wish to protest and reduce personal dissatisfaction, and that issue selling calls attention to problems or opportunities but does not include suggestions about how to address those problems or opportunities.

Initiatives of a taking-charge character may be driven by objectives of a personal, organizational or regional character. First, the subunit manager may have personal motives but even if that is not top of the line, the undertaking of issue selling puts the manager's personal reputation and position within the organization at stake. Hence, an important factor to consider in understanding a subsidiary's activities to gain power and influence vis-à-vis the headquarters and other units of the corporation is to look at the individual motives of the subunit managers. The managers' needs resemble to a large extent the ones of the subsidiaries: to reach recognition and status within the organization and autonomy in the sense of being able to make decisions without interference from the headquarters (Ambos et al., 2010). To be able to catch the attention of superiors can make subunit managers feel more important and increase their self-esteem. If the initiative meets with success it may also result in promotion. There may thus be both intangible and tangible rewards for individuals from taking-charge initiatives.

Second, as representatives of other locations than the headquarter's location subunit managers have access to other sources of information and can improve the overall functioning of the

company by introducing hereto unknown information to the headquarter's frame of reference. Furthermore, they can try to influence the strategic agenda or win the headquarter to their course of strategic action in order to achieve resources for implementation of ideas (Raes et al., 2011). Such actions may result in considerable changes in the roles and positions of local offices. The outcome is thus of importance not only to the initiating unit but to the other units as well since such actions often are zero-sum games in that a specific local office often gains increased importance at the expense of one, or several, other(s).

However, for taking-charge initiatives to succeed the subunit has to develop its offering to headquarters. Bouquet and Birkinshaw (2008) argue that for a subsidiary of a multinational company a basic concern is *legitimacy* since without possessing legitimacy a unit will find it hard to influence the decision making of headquarters. They stress that the academic literature on legitimacy is highly descriptive in nature and rarely addresses the role of individual agency. Furthermore, they argue, possession of *critical resources* will increase influence. Ideally, there should be competition among subsidiaries for the resource in question. Finally, they recommend that subsidiary managers should strive to *increase the centrality of their unit in important strategic networks*. In order to achieve these goals, middle managers should engage in *profile building*, "to build perceptions that their activities and solicitations are strategically important for the MNC and deserving of their scarce management attention" (Bouquet and Birkinshaw, 2008: 491). One way to increase the profile of a subsidiary is for it to enter into cooperation with other actors in the region, thereby accessing additional resources and improving legitimacy. Bouquet and Birkinshaw (2008) argue that most issues of MNC subsidiaries are of relevance for subunits of national organizations as well. In accordance with that stand we will use these dimensions in our study of managers acting in lower-level units of national and international companies.

ACTIVATING A REGIONAL NETWORK AS A MEANS TO INCREASE THE INTERNAL POSITION

Each subunit is embedded in local relationships of various kinds and varying strengths. The relationships imply possibilities for resource sharing and joint attempts at business development (Snehota, 1990; Ford et al., 1997). A group of companies may join forces in a regional strategic network (RSN). Such networks are commonly formed for the purpose of regional development by means of increased competitiveness of regional companies. Nevertheless, these networks have not been the object of much research.

RSNs consist of companies cooperating with support from governmental authorities or other organizations in order to develop an industry sector or a certain type of operation in a region (Johanson and Lundberg, 2010). An important characteristic is that they are designed and are defined by membership, i.e. consisting of companies that formally have entered the network. This can be compared to other types of strategic networks and alliances defined by business relationships between the companies. Another distinctive characteristic for RSNs is that they are led and coordinated by certain assigned individuals performing a hub function. These hubs are responsible for the communication with network members and external actors and for arranging the activities that the network shall focus on. The foundation of a network is relationships and RSNs are intended to support and facilitate relationship building among its participants by stimulating formal as well as informal interaction and communication. However, RSNs often

consist of different types of actors, such as governmental authorities, competitors, suppliers, customers and universities, which come with varying cultures and norms implying a complex situation for interactions. Communication and cooperation is particularly hampered when member companies are both partners and competitors. There is then an inherent risk that a member has a hidden agenda that directly or indirectly affects the interaction between the parties.

Local governments may wish to assist local subunits attempting network cooperation by providing financial support for network administration and cooperation. It is however normally not possible for local governments to support individual units but when a number of companies form an RSN, public funding may be granted. By means of such funding local governments can encourage subunit intrapreneurship and support their development.

A subunit can furthermore gain increased legitimacy by participating in an RSN that includes resourceful other actors such as large organizations and universities. Young and Tavares (2004: 233) argue that "links with universities and research institutes may be an inexpensive way of building the capabilities of the subsidiary and improving its credibility with head office, and in the process providing a modicum of autonomy". Knowledge has been identified as a resource that is key to a company's competitive advantage (Kogut and Zander, 1993) and from network interaction, knowledge can not only be developed or acquired but also accessed(Grant and Baden-Fuller, 2004) in a more informed manner. Furthermore, intraorganizational power is gained from a subunit's contribution of critical resources such as knowledge.

Each actor occupies a specific position (Mattsson, 1984) but the position is defined by other actors through the relationships they have with the focal actor (Henders, 1992). In a similar fashion, we argue, each subunit has its specific intraorganizational position. The history of interactions and relationships determines the current position as it is the result of the activities performed and the resources accessed by the actors. Accordingly, the development of new relationships or changes in established relationships affect the network position of an actor, i.e., how its identity is perceived in the network. Johanson and Mattsson (1985: 188) define the position of a firm in the business network as encompassing (1) the identity of other connected firms, (2) the role of the firm in the network, (3) the importance of the firm in the network, and (4) the strength of inter-firm relationships. An RSN offers the participants a certain number of new presumptive partners. In addition, new arenas for meeting and common experiences in the RSN may further deepen prior relationships. By adding or deepening relationships a firm, or subunit, may become a more well-connected actor, access additional resources and in that respect improve its position in the network. Similarly, taking on a new role will affect its position as well. Location-bound resources are hard to imitate since they stem from socially complex interactions (Barney, 1991) and access to resources can thus increase a subunit's position versus other subunits. In the words of Salancik and Pfeffer; "a subunit instrumental in obtaining critical resources for the organization is in a better position to obtain the critical and scarce resources of the organization" (1974: 453). RSNs are finally intended to facilitate and support relationship development among its participants. An increased number of relationships implies a more central network position in the region and is likely to bring an increased amount of information, for instance on business opportunities, to the manager's attention (Granovetter, 2005; Burt, 2004; Gulati et al., 2000). Furthermore, by joining forces with others in issue selling efforts, the manager is able to increase the likelihood of gaining the superior's attention through greater visibility and collective influence (Dutton and Ashford, 1993).

According to the above, it does seem as though the network not only serves as a means to increase access to resources or gain power in relation to other actors in the network, but the network also seems to serve as a means for a subsidiary or local office to gain internal resources and power in relation to its headquarters.

METHOD

A longitudinal case study on a regional strategic financial network, called the Alpha network, consisting of 15 large firms and publicly funded organizations, mainly banks and insurance companies, was conducted. The case is used as an illustration as it complies well with the findings of the literature-study. The case study method was selected as networks are "embedded in different spatial, social, political, technological and market structures and thus somewhat unique and context specific" (Halinen and Törnroos, 2005: 1286). The study is comparative, qualitative and primarily based on frequent participating observations and conversations during network activities (1-2 per month) in 2003-2009. The activities were all from meetings with the hub, participation in network activities such as seminars, conferences, study-visits, social activities, network meetings as well as part-taking in a business-development program and in the work of the different sub-groups.

Comprehensive interviews were conducted with the Alpha network hub at four times – in 2004, 2006, 2009 and 2011. These followed a semi-structured protocol, were taped and transcribed. Conversations with the members of the hub were however, conducted at every network activity. The focus of the study has been the development of network relationships, commitment and the structural factors influencing this as well as factors influencing performance in terms of cooperation and the performance itself both from the participant organizations and their representatives (managers) and the hub-perspective.

In addition, data has been gathered in the form of written documents such as memorandums describing network meetings, the network's funding applications, project reports, self-evaluations, marketing material, newsletters and trade-related magazines.

CASE PRESENTATION

The Alpha RSN was established in May 2003 to stimulate cooperation among a group of companies, subunits and public organizations located in a small town 500 kilometers north of Stockholm. The 15 participating organizations all represented the financial sector and most of them were subunits with their national headquarters located in the capital Stockholm. The subunits were represented by their local managers and their subordinates. For some subunit managers, network participation was spurred by their fear that their business operations might be relocated or reduced, others saw a chance to improve their unit's position in their organization or an opportunity to attract and attain highly qualified assignments and positions to their local subunit – assignments of a kind that predominantly was found at headquarters. Some managers also wanted to support the development of the region as such for a common good. Others were focused on their own personal development as well as on gaining new valuable contacts and a position in the network of local managers within their field. Nearly all local organizations in this

line of trade were represented in the network. Since the town in question only has about 100 000 inhabitants, many representatives had met on other occasions and were socially acquainted before entering the network. Some of them had previous experience of working together as advancements often implied shifts in employment between local companies.

The RSN was initiated by a local science park linked to the municipality. The establishment was based on a strategic development related decision made by the municipality that the financial sector would be one of three strategic areas where investments were to be made. Thus, this sector was employing between 2000 and 3000 individuals locally and represented the fourth largest concentration of such firms in Sweden. The Alpha RSN furthermore represented the municipality in a regional context in terms of being selected as one of the prioritized RSN´s in the regional development plan administrated by the county. This plan was in turn reported to governmental actors at a national level as a part of a growth strategy. By being selected as a prioritized RSN, the Alpha RSN gained status, a position in the region, access to funds and investments from other resourceful governmental actors and became a vital part of domestic growth strategy. At the time of the start-up, governmental decisions made clear that all regional and development related means should be funneled through, or approved by the regional administration.

The science park initiating the RSN was partly financed by the municipality and the county and partly by the members themselves through membership-fees. The science park employed a part-time administrator for the role as network hub. A reference group of three; representing the local university, the business community, and public organizations, was assigned to support the hub.
The first network meetings were well attended, the members were full of enthusiasm, and many creative collaboration proposals emerged, but due to the competitive situation, the members decided to look for cooperation on shared, competition-neutral issues. At the fourth network meeting, in November 2003, the members agreed on a vision: "to create the prerequisites required for this region to become Scandinavia's most important knowledge centre in this field". Three sub-groups were formed of which the first was focused on marketing the RSN cooperation and getting the RSN to be well known in Sweden, but also in headquarter and in other vital and related organizations. A marketing strategy and marketing material was developed and distributed within the network, to their employees and media. The second group concentrated on growth and worked to attract further establishments, investments and relocation-decisions to their own and municipality located organizations. This group focused on mapping the member organizations in order to identify new potential prospects. The third group focused on employee skill enhancement by identifying, developing and accomplishing sector-related courses in cooperation with representatives from the local university. When the Alpha network initiative, through the activities of the marketing group, gained national attention and officials from some of the headquarters' representatives called to make certain that their organizations took part, the subunit managers were very pleased as they then had succeeded in gaining the attention they strived for.

However, after an enthusiastic start, attendance at meetings declined in autumn 2003. A business-development program was launched in order to spur commitment and this program was made up of meetings that also included many hours of social interaction in the evenings. The members got to know each other better, strong social relationships developed and the participants were able to meet some of their personal goals.

In 2004 the sub-group focusing on skill enhancement decided to involve representatives from their head office in the discussions and in the work with developing sector-related university courses. The reason was that they needed approval from headquarters in order to assign their local employees to the courses. Furthermore, problems and opportunities related to the role of headquarter HR (human resources) departments in accomplishment of local RSN related goals were identified by the other two groups as well. As several of the subgroups felt it necessary to involve representatives from headquarters a decision was made to arrange a common meeting with the corporate managers of the member companies. The Alpha RSN hub, one of the member organizations of the Alpha RSN and the municipality co-arranged this meeting that took place in October 2004 at the premises of one of the member companies. Several from each of the Alpha RSNs member organizations head quarter management participated at the meeting. The head of the municipality, the CEO of the science park, the vice chancellor of the university and the members of the RSN were also invited to the meeting that was well attended and was regarded as a success by the members. The agenda comprised an initial introduction, host greetings and a presentation the hosting company. This was followed by the head of the municipality emphasizing advantages related to establishment of the Alpha RSN in the municipality. The vice-chancellor of the university and a professor presented available courses and research of interest for this sector. The meeting was wrapped up as the member representatives brought their headquarters and HR-managers to lunch for further discussions. Soon after the meeting the arranging member organization announced their decision to establish 40 new jobs in the municipality. This decision was followed by relocation of the swift board adding 15 jobs and a decision to relocate their national client center from Stockholm to three other cities, one of which was the co-arranging organization's sub-unit. In total the local sub-unit received 55 new jobs. These decisions emanated from headquarters' conviction that qualified personnel would be easy to find locally due to the ambitions and efforts made by the university and the municipality, and the favorable prices of local real estate. The meeting as well as this decision strengthened the spirit of the subunit representatives and their internal position as being part of a network so well spoken of and regarded as vital by local government officials. Other member-organizations followed this path and relocated or expanded their operations locally. All in all the activities of the RSN generated approximately 150 new jobs to the municipality over a period of three years time.

In parallel an idea was raised in the business-development program to create a research institute together with the local university. The idea matched the RSN's vision and goals and the network's organization was rearranged into four new working groups in autumn 2005. The first was to develop "best practices" for working but also shared norms and attitudes. The second aimed to develop sector-related courses and an undergraduate program together with the local university. The third focused on arranging activities for employees in the member organizations. The fourth worked with the development of the research institute. During the work with the sector related courses, the subunit representatives became aware of the difficulties in marketing these courses within their own national organizations as decisions on such development efforts normally was taken by the HR- departments. The member organizations were furthermore known to take full responsibility for training their employees and consequently they had quite some courses and programs to offer themselves. This somewhat hindered the development of courses as well as participation from others than local representatives. In order to fill the three

courses offered, the subunit managers decided to participate in the course themselves. Fifteen of the subunit managers participated in the course focusing on business relationships that started in November 2005. The other two courses were marketed to the subunit employees with a varying result. It was not so easy to find employees for these courses as they were regarded as too time-consuming and demanding to handle in parallel with their other assignments. The need to involve local employees in the Alpha network activities was obvious and vital if such activities were to be arranged. A connection was therefore made to the third group that arranged activities for employees. During the first activity of this group the RSN's, represented by all subunit managers, common vision and goals were presented as were the assignments of the sub-groups. About 400 employees participated at the first meeting that was followed by one large activity once a year in the years to come. These activities were focused on; marketing the Alpha RSNs activities, offering a lecture by some popular and prominent person, making people meet, sharing a meal and interact. All organizations had to pay for their participating employees and the activities were often reported in organizational internal magazines or web sites. By mixing employees from all member organizations in development related activities this network of competitors achieved a cooperation recognized by others as something quite new and unique for this line of trade. Historically the industry had at all time feared accusations of cartel formations. Critics (from a related line of trade) was also raised that the construction of the Alpha RSN opened for cartel building. However, this critique could easily be met as the undertaken activities mainly focused on competitive neutral issues.

By November 2005 many representatives had been replaced since some of the first managers involved in the RSN had been promoted to other positions within their firms, and it was noted that the new ones were not as committed as their predecessors. As all goals set in 2004 by now were fulfilled, new goals were being developed and an activity plan decided upon. In order to raise commitment for the new goals and the activity plan, meetings were arranged with the county governor and local politicians. The participation at these meetings was good and all representatives participated. It seemed thus important for the participating organizations to mark their presence and membership as active drivers of regional development.

In October 2007 a meeting with headquarter managers was once again arranged. Focus at this event was on the vision for the Alpha RSN: to become the leading competence center in Scandinavia within their industry. Another purpose of the meeting was to market the Alpha RSN´s achievements, the research institute, advantages generated by sector related research and previous positive experiences of relocation. The latter was linked to results that came out of the first headquarter meeting. This second meeting was also well attained, initiated by the governor of the county in which the Alpha operated and arranged by the science park in cooperation with one of the members that was hosting the event. The municipality was represented by the vice mayor and the municipal manager, while the local university was represented by the professor in charge of the sector-related research institute. Another and partly municipality owned company working with attracting new establishments and investments to the region of the Alpha RSN was also there to present local establishing advantages.

The research institute had been formed earlier the same year. Alpha's members, the county, and the university contributed funding and a project application was submitted to, and later approved by, the European Union Objective 2. The institute start-up and linked activities strengthened the RSN as whole by constituting a high profiled result of network collaborative efforts. .

FINDINGS

Within the IMP research tradition most focus is on a company's interactions with external actors to gain resources. However, within this paper we have set out to explore and explain how subunits form and activate networks to strengthen their position within the internal network and to affect the power and influence in relation to headquarters. Above we have illustrated a case of an RSN formation consisting of competitors within a region. The case is interesting for several reasons. It is interesting as a case of how local subunits form an RSN to influence and strengthen their position vis-à-vis headquarters. It also illustrates how the formation of the RSN led to a strengthened position within the region. A third aspect of the case is that it shows the individual motives and the taking-charge initiatives of subunit managers. Hence, the strategy of the local subunit to strengthen its own internal position had also an effect on the external network formation.

Looking at the formation of the RSN as a means to influence the position within the internal network we can see that one of the motives for entering the Alpha RSN was driven by a fear of having business operations being relocated or reduced. The representatives acted strategically in the respect that the status and position gained by being members of a selected and prioritized area on a regional arena strengthened the position of the local subunits within their own organization. By going public with the Alpha RSN, the local subunits could gain the headquarters attention. By marketing the RSN to the public, the local subunits could make the membership of the RSN known and thereby show that the local units could show that they were development oriented, active, and innovative as well as having good access to resources through the relationships. This is in line with Dutton and Ashford (1993) argued stating that the more public the occasion, the greater the likelihood that superiors will spend time on the issue.

The effects of the formation of the RSN were not limited to the internal network of the organization but could also be seen in the external network. As the RSN's participants developed and strengthened the relationships, they also increased their regional embeddedness and could thereby increase their own centrality within the networks on the local and regional levels. By acting jointly in the form of an RSN the participants, in particular the smaller units, could increase their access to resources and become perceived as more resourceful. This strengthened their image and position within the region; hence they could for example more easily gain the local university's attention and were perceived as an interesting partner. The RSN was able to initiate cooperation with the university that led to the creation of tailored courses for their employees and a specialization alternative focusing this area of businesses for third year students in business administration. By acting as a network they could furthermore more easily secure public funding on a regional as well as national level. They were thereby able to create a research institute at the university implying improved future access to knowledge, a resource known to be critical for competitive strength. Hence by forming the RSN the participants were able to reach a good relationship with the university. The activities of the university were also adapted to the network as a result of the relationships. This shows that in order to understand firm's actions and interactions we also need to consider the internal tensions as motives for gaining access to resources and to develop relationships and activity chains. We argue that we need to extend the

context of analysis within the IMP tradition to also embrace subunits' internal motives in order to understand network formations and how activities and relationships evolve.

Another aspect emphasized in this paper was the extra-role behavior. The managers in the Alpha RSN case did not operate in accordance to their formal organizational role, but rather showed extra-role behavior. Their behavior was driven by a willingness to change the situation both on an individual level and in order to improve the subunits position. The personal motives put forward by some of the managers in the case were to form and strengthen the social relationships within the region. The interaction between the participants increased as the RSN developed both at conferences, courses and more informal interactions. Hence, the platforms for interactions, forming and strengthening relationships within the regional network could be formed through the RSN.

Another motive put forward by managers was to enhance possibilities to be promoted internally within the organization. By being active and driving the RSN operation further some of the individuals were perceived as having a vital role in the network .The achievements of the individuals were communicated externally at seminars, conferences and presentations by the participating representatives of the member organizations and to the participating member organizations by means of inter-organizational web-sites and newsletters. As a result many of those who were most active were promoted internally, i.e. the RSN could help in meeting the motive of those who wanted promotion.

CONTRIBUTION

The purpose of this paper has been to extend IMP research by addressing the issues of evolving organizational strategy and subunit strategizing by studying how an RSN including competitive actors can be used by subunit managers for strengthening a unit's position in the organizational hierarchy. In this way we have responded to the call from Dutton and Ashford (1993) for the identification of new dimensions of how subunit managers address issue selling towards their superiors . The research in this paper furthermore adds to research within IMP by illustrating how networks are formed for the reasons of gaining or increasing internal power by strengthening the position internally within the organization as well as externally within the local and regional network. Furthermore, by focusing on how sub-units maneuver for power internally, we both add to the knowledge within the IMP tradition as well as international research by studying the headquarter-subsidiary relationship from a bottom-up perspective.

MANAGERIAL IMPLICATIONS

This paper illustrates that subsidiary managers can affect their own position within the organization as well as the local unit's position within the organization by forming or activating relationships and networks. However, although the case illustrates an example where the local managers managed to strengthen their positions and gain more power vis-à-vis headquarters, it is still important that managers keep in mind that activating a network also can have side effects. A side effect not illustrated in this case is that activating a network with purpose of gaining power or strengthening the position can also be perceived by the headquarters as a threat implicating

that the effects may be the opposite of what the goal was. The same caution can be made to individuals who aim at activating networks to become promoted. This is a game that needs to be carefully played. If the activities are perceived as negative the result may be that the manager is released of his/her authorities and the autonomy is being decreased instead of increased. Still, to form and actively participate in networks have many positive effects both for the individual manager, the local subunit as well as for the headquarters where the network positions as access to resources can benefit from these activities.

LIMITATIONS AND FURTHER RESEARCH

The case presents successful taking-charge initiatives by subunit managers able to leverage their organizational position through their RSN participation. However, even if subunit managers bring their subordinates' attention to a particular issue, the action taken by the superior may not be the intended one. Further studies are needed emphasizing factors that affect if, and under what circumstances, various kinds of initiatives reach the intended end or not.

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