Internal Issue Selling
- An individual perspective on the issue selling process within the subsidiary

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Abstract

The traditional issue selling process refers to strategic actions taken at a subsidiary in order to gain attention from the HQ. This study aims to broaden the theories on issue selling to also cover internal issue selling, which refers to the individual level of issue selling within a subsidiary. Further is attention and initiative taking worth investigating when studying issue selling, whereas these underlying constructs of issue selling are highlighted in the paper. For this specific study we have performed a case study with L’Oréal Sweden to investigate how the individuals are selling issues within the subsidiary. This micro-level focus of the issue selling process have the potential to contribute to an understanding of the process and the underlying constructs of issue selling on a macro perspective. The findings of this study indicate a tendency that issue selling exists on a subsidiary level. Thereby it could be argued that ideas and initiatives raised by the individuals within a subsidiary have the potential to generate in strategic and organizational improvements on a macro perspective for the MNC.

**Keywords:** Internal issue selling, issue selling process, subsidiary perspective, attention, initiative taking.
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1. Introduction

“Effective management begins with an understanding of a key component process, issue selling” (Dutton et al., 2001:716).

Hertner and Jones (1986) give a basic definition of multinational corporations (MNCs) when claiming that they could be seen as “… firms owning and controlling manufacturing or extractive facilities in more than one country” (Hertner & Jones, 1986:1). The MNC’s role as a business actor has over the years made a significant increase in terms of importance in the world economy (Forsgren, 2008). During the late 1960s, almost 7000 multinational firms were registered worldwide (van Tulder & van der Zwart, 2006). Around two decades later that number had increased with 30 000 registrations, and these gigantic business actors had additionally more than 170 000 affiliates in foreign countries (Forsgren, 2008). That number of MNCs were more than doubled when entering the 21st century; a report from United Nations stated that there were approximately 70 000 registered multinationals, which in total had over 600 000 affiliates worldwide (United Nations World Investment Report, 2005).

MNCs are present at various markets and they often tend to have their headquarter (HQ) in one country (often the home country) and subsidiaries spread across other countries, whereas different relationships emerge between these units. The acknowledgement of an existing relationship between HQ and subsidiary is not a new phenomenon; several authors have written about this from different viewpoints. For instance, Forsgren et al. (2005) state that the different relationships and roles between subsidiaries and the HQ can derive from the subsidiary network embeddedness, where both internal and external actors affect the network structure. O’Donnell (2000) discusses the relationship from an agent-principal perspective in the MNC, where HQ (principal) delegates responsibility to the management of the foreign subsidiary (agent). Forsgren et al. (2005) explain how HQ exerts control over the subsidiary, where knowledge by HQ is described as the prime resource for enabling actual influence over the subsidiary. Gupta and Govindarajan (1991) discuss the subsidiary’s strategic role, how it may differ in comparison to other subsidiaries within the same MNC and how HQ, in order to reach its’ objective, uses formal and informal control mechanisms depending on the subsidiary’s strategic role.
The relationship between HQ and subsidiary, and the control issue in particular (described above), seems to be a popular topic among researchers when reviewing previous literature. One might argue that these theories appear to focus on how the HQ should act in order to control the subsidiary and get actual influence over its affiliates. However, it is important to point out that there are theories written from the subsidiary perspective as well, where the subsidiary actions are in focus. One aspect that is brought up is subsidiary initiative in relation to attention. For instance, Bouquet et al. (2009) explain how the amount of information and the number of subsidiary initiatives keep increasing, but the supply of attention from the HQ is not expanding. One assumption that can be made from this is that subsidiaries have to fight harder today than ever before to gain attention from the HQ. In order to receive desired attention from the HQ, the subsidiaries make moves and take initiatives, the different subsidiaries will thus compete with each other to get the attention they need from the HQ (Dutton & Ashford, 1993). Since the number of subsidiaries often increases within large MNCs, the importance of making effective attention-seeking actions and initiatives towards the HQ keeps increasing (Bouquet & Birkinshaw, 2008). One recognized theoretical concept of gaining attention, proposed by Dutton and Ashford (1993), is the so-called issue selling process which refers to strategic actions and initiatives taken by the subsidiary in order to gain wanted attention from the HQ.

Dutton and Ashford (1993) describe issue selling by stating that the term is rooted in individuals’ intention to affect other individuals understanding and attention regarding issues. The way issue selling is handled within the subsidiary is a key for understanding the subsidiary’s performance, since it is essential how the subsidiary approaches the HQ and how the need for attention is phrased and presented in order to receive the wanted attention. If the subsidiary performs efficient issue selling towards the HQ, they are more likely to gain desired attention and will thus have better conditions for implementing needed actions at subsidiary level.

Previous theories on issue selling tend to focus on middle managers and how they are selling issues upwards within the organization to the top management (Dutton & Ashford, 1993; Dutton et al., 2001; Ling et al., 2005; Vithessonthi, 2010; Howard-Greenville, 2007; Bishop et al., 2011). However, one might question the middle manager’s competence and ability to identify strategic issues within the subsidiary. The ones who possess the best knowledge about the processes within a subsidiary are perhaps not always the ones who are entitled
managers. Additionally, the top managers might not always be the persons who detect the most vital issues. The employees working close to the market and the customers could also possess important knowledge and the organization could therefore benefit from including their knowledge and perspective when making strategic plans and directions for the firm (Nonaka, 1994). We see a tendency that previous studies on issue selling have not highlighted this issue. Therefore, there seem to be a certain need to broaden the perspective on issue selling, to not only cover the process between middle managers to the top board, but rather to take a more holistic perspective on issue selling. This would then include the process taking place throughout the subsidiary, i.e. from the employees to the managers of the subsidiary. This issue selling process within a subsidiary will in the following study be referred to as “internal issue selling” and will work as the core of focus for this study.

Issue selling has traditionally focused on the relationship between the subsidiary and HQ. However, since this study will look at the individual level of issue selling, it could be argued that the study is focusing on the micro-foundations of issue selling. Micro-foundations are explained as “foundations that are rooted in individual action and interaction” (Foss, 2011:1414) and the term is referring to the individual's economic behavior in a macroeconomic setting (Fazzari, 2012). A micro-foundation perspective enables the authors to uncover a number of sub-themes, such as the individual-level view when explaining firm performance or the understanding of how strategic dynamics could be rooted in, and deriving from, individual characteristic features and behaviours (Foss, 2011). A micro-level focus tends to be of explanatory character and can thus provide another perspective for understanding the macro level. Thereby, it could be argued that investigating the micro-perspective of internal issue selling within a subsidiary potentially can provide a new perspective of the understanding of the issue selling process between a subsidiary and its HQ. By understanding the details and the first initial steps of issue selling within an organization, a more thoroughly understanding of the entire concept of issue selling can emerge. It could therefore be argued interesting to not only study issue selling isolated, but also to look at its sub-constructs in order to gain new perspectives. The flow and structure of initiatives and attention are argued to be the underlying constructs of issue selling since they build the foundation for issue selling. Hence, these three topics combined (attention, initiative taking and issue selling) will be the focus of this study.
In order to investigate the issue selling process, we will explore attention and initiative taking on a subsidiary level through a case study within a global MNC. Gibbert et al. (2008) and Eisenhardt (1989) are claiming that case studies are an appropriate method when exploring key variables of management theories. The case study structure will allow us to dig deep and to uncover the different dynamics of the internal issue selling process within the focal subsidiary, since we will study the phenomenon in a practical context. Our chosen MNC to perform the case study with is L’Oréal’s fully owned Swedish subsidiary; L’Oréal Sweden.

L’Oréal is a gigantic global actor within the beauty industry with market leading brands within cosmetics, skin care, perfumes and hair care. In 2014 L’Oréal were present in 130 countries all over the world and had approximately 77,500 employees, with total sales of roughly € 23 billion (L’Oréal annual report, 2013). L’Oréal Professionnel, which is a brand within the L’Oréal Professional Products Division at L’Oréal Sweden, has been given strategic directions from the HQ in Paris to increase their market shares within hair color. They thereby have to carry out some structural changes in order to reach their new targets. We thereby argue that L’Oréal Professionnel Sweden is an appropriate example of where to exemplify internal issue selling within a subsidiary, since we find them to have incentive of utilizing the knowledge and ideas of the employees to reach the set targets. By studying both the employees and managers at the subsidiary we hope to uncover the structure of the issue selling process taking place within the subsidiary. By doing this we further hope to be able to link our findings with the existing theories on issue selling and describe how the internal issue selling process might be related to the issue selling that are taking place between the subsidiary and its HQ.

1.1 Research questions

Our introductory section leads to the following research questions:

- How are individuals, employees and managers, selling issues internally within the subsidiary?
- How can the internal issue selling within a subsidiary be related to the issue selling that takes place between a subsidiary and its HQ?
1.2 Purpose

The purpose of this study is to investigate the structure of issue selling, and its two underlying constructs; attention and initiative taking, within a subsidiary. Further, we intend to investigate if existing theories on issue selling are applicable when studying the phenomenon on a subsidiary level. We will therefore study how issues are brought up and sold by the employees and managers within a subsidiary, and not just from middle managers to the top management of the HQ, which existing theories tend to focus on. This can be described as unraveling the micro-foundations of internal issue selling within a subsidiary and our hope is that the findings will contribute to broaden the perspective and understanding of existing theories on issue selling.

1.3 Limitations

We are aware that the focus of the study comes with some limitations to the extent of what our findings can contribute to. Our empirical findings are restricted to a micro perspective of the internal issue selling process within a subsidiary, since this is what our empirical study is investigating. Our findings will thus not contribute to a macro perspective of the MNC since we are having an individual level focus. Though, we believe that our empirical findings have the potential to shed some new light on the macro perspective of issue selling and thus be of value.
2. Theory section

The following chapter starts with theories concerning how managers allocate their attention to different issues within an organization. The theory section is further focused on the way attention is sought and how initiatives are taken by the individuals within the organization in order to gain attention and resources, the so-called issue selling process. The theories will work as a foundation for the rest of the thesis; they will provide the reader with an explicit overview of the field and lay ground for the study. The outline of the theory section therefore follows the same structure as the continuing thesis; attention, initiative taking and issue selling.

2.1 The background of attention

The concept of leaders limited capacity to be rational and make rational decisions originates from Simon’s (1947) work, “Administrative Behavior: A Study of Decision-Making Processes in Administrative Organizations”, where the concept of bounded rationality – the fact that all decisions we make are bounded in terms of making optimal decision since we never have all relevant information – is the base of all our decisions. Organizations are no different, individuals drive them and thus are all organizational decisions bounded rational (Simon, 1947). The decision-maker’s motivations and cognitions will always affect the process behind organizational decisions and thus also affect the firm’s outcomes and strategic directions. The decision-makers within an organization selectively choose which issues they should attend, and which that should be ignored (Dutton & Jackson, 1987). By looking at the way a company’s managers allocate their attention, the understanding of the internal channel of structure and behavior of the firm can be improved (Ocasio, 1997).

Attention is defined as the decision-maker’s noticing, encoding, interpreting, and focusing of time and effort on issues and answers within an organization (Ocasio, 1997). Organizational attention is stated to be affected by the organizational environment in which the decision-maker is active, the economical and social structures of the firm affect, create, channel and distribute the flow of the decision-maker’s attention (Simon, 1947; Ocasio, 1997). The structural positions within a firm are important since they show the roles and social identifications of the decision maker, and will thus explain his or her functions and
orientations along with his or her structural position and relationships with actors internal and external to the firm (Ocasio, 1997).

The intentional behaviors of individuals within an organization, and especially the top management, have a lot of affection on the organization’s strategic direction and the organizational actions that are taken (Child, 1972; Thompson, 1967). The managers’ total amount of attention, which they can allocate to different issues, is limited and they will selectively attend to some organizational issues while ignoring others (Dutton & Ashford, 1993; Dutton & Jackson, 1987; Hansen & Haas, 2001). The top managers will not allocate the same amount of attention to each of the subsidiaries, which means that the managers at the different subsidiaries play a crucial role for determining what level of attention their subsidiary will receive (Bouquet & Birkinshaw, 2008).

2.1.1 Different types of organizational attention
Ambos et al. (2010) state that the concept of subsidiary initiative, and the way that subsidiaries act in order to enable their own changes and ideas, are important to understand when studying how a large MNC operates. To be able to implement the desired ideas and changes that the subsidiary presents to the HQ, the HQ needs to allocate the subsidiary initiative with attention and resources.

According to Bouquet and Birkinshaw (2008), the amount of attention that a subsidiary receive within an MNC is argued to be depending on two different factors, firstly the attention is based on the subsidiary’s structural and strategically position within the MNC, which has in previous literature been referred to as the “weight” of the subsidiary. Secondly every subsidiary also has a “voice”, which is the subsidiary managers’ ability to attract attention from the HQ. The subsidiary managers therefore hold a key role in enabling the growth of the subsidiary since part of gaining needed attention from the HQ lies on their ability to be the voice of the subsidiary.

2.1.2 Gaining attention at a price
Attention given to one issue or one subsidiary always comes at a cost for the MNC, since it automatically means that other issues are being overlooked due to the limited amount of
attention that the HQ have to allocate (Bouquet et al., 2009; Ambos et al., 2010). It is thus important for the HQ to allocate its attention effectively and to the right issues in order to not miss out on important business opportunities (Valliere & Gegenhuber, 2012). Further does Birkinshaw (2011) argue that attention not only comes at the cost of lost attention to other issues, but states that within organizations, one stakeholder always win on the cost of another. The argument implies that giving attention to certain issues within one subsidiary and providing their stakeholders with desired resources comes at the cost of neglecting another subsidiary and its stakeholders.

Not all attention that the subsidiary receives from the HQ is wanted and positive. Negative attention can be attention that comes in terms of corporate interference, control and monitoring – which all limits the subsidiary’s autonomy (Bouquet & Birkinshaw, 2008; Forsgren et al., 2005). Right opposite, positive attention is value-building, forward looking and often enhances the performance of the subsidiary (Bouquet & Birkinshaw, 2008). Further is the right amount of attention also important taking into consideration in order to reach the desired outcome (Bouquet & Birkinshaw, 2008; Ambos et al., 2010). Bouquet and Birkinshaw (2008) argue that too much attention might lead to negative consequences for the subsidiary, since they then lose parts of their autonomy along with that the HQ might put on unreasonable expectations on the subsidiary performance. Another negative effect of too much HQ attention is that the subsidiary then need to spend a considerable amount of their time reporting to the HQ, instead of focusing on their core business and performance on the local market. On the other hand, too little attention might lead to missed opportunities or strategic neglections by the subsidiary. It is thus important that the subsidiary are aware if its initiatives for gaining attention from the HQ, in order to be able to affect the received amount of attention as much as possible.

### 2.2 Initiative Taking

By taking different initiatives the subsidiary can steer which direction it want to take and what profile it will have within the MNC. Subsidiaries often have two conflicting directions internally, they often both want to affect the other units within the MNC, as well as they want to keep their autonomy, which is their ability to be independent and making decisions without the other units of the MNC interfering (Ambos et al., 2010). A certain degree of independence and autonomy is often wanted among the subsidiary managers (Forsgren et al.,
Subsidiary managers thereby take a risk by putting a part of the independence and autonomy of the subsidiary at stake when seeking attention from the HQ through initiative taking, since the attention of the HQ often comes with increased levels of monitoring and control (Ambos et al., 2010). By giving a subsidiary attention, the HQ will gain knowledge about that particular subsidiary, and the more knowledge the HQ has of the subsidiary operations, the higher is the possibility for HQ to control it (Forsgren et al., 2005). Further does a high level of monitoring by the HQ often lead to a decrease in the subsidiary’s freedom in making independent strategic decisions (Ambos et al., 2010). The challenge of the subsidiary managers is therefore often to increase the supply of attention from the HQ and simultaneously decrease the demands on the allocated attention in order to create the desired structure of the subsidiary without losing its autonomy (Valliere & Gegenhuber, 2012).

The profile of the subsidiary within an MNC might influence the amount of attention they are receiving from the HQ (Bouquet & Birkinshaw, 2008). A subsidiary profile that is coherent with the MNC strategy might enhance the feeling of trust and dependence between the subsidiary and the HQ, a type of “wanted condition” where both the subsidiary and the HQ are feeling comfortable with one another, which are motivating factors for both the subsidiary and the HQ to participate and engage in activities that are beneficial for both parties (Hewett & Bearden, 2001). Subsidiary managers can affect the profile by working with so called profile building, which are initiatives and actions aiming to improve the subsidiary’s image, credibility and reputation internally in the MNC. The different initiatives that are taken by the subsidiary managers shape the profile of the subsidiary, since it shows in what direction the subsidiary are striving towards (Bouquet & Birkinshaw, 2008).

Also the past results and past initiatives taken by the subsidiary are important in order for the HQ to provide the subsidiary with the attention and resources that it need. If the subsidiary has been successful in the past it is more likely that the HQ will allocate the desired resources to them (Birkinshaw & Hood, 1998). High results in the past often give the subsidiary higher credibility within the MNC, and make the HQ trust the subsidiary initiatives more, since they then tend to assume that new initiatives are in line with the corporate goals based on the fact that the previous ones have been so (Bouquet & Birkinshaw, 2008).
2.3 Issue selling

A strategic issue can be defined as “... a forthcoming development, either inside or outside of the organization, which is likely to have an important impact on the ability of the enterprise to meet its objectives” (Ansoff, 1980:131). When managers identify strategic issues it enable them to better understand the environment, but due to the fact that strategic issues rarely come as a finished package, managers must select among these, i.e. selecting the ones with emerging character that need instant attention and ignore those with less importance (Dutton & Jackson, 1987). Managers, at different levels within the organization, tend to give attention to issues that are important for themselves, hence they are often biased by their own interests when making the decisions of which issues to pay attention to (Bazerman & Moore, 2013). In this view, the organization can be portrayed as a market of ideas where persuasive managers try to “sell” their specific issues to the “buyers”, which in this case are the top managers who determines the strategic direction of the organization (Dutton et al., 2001). Issue selling is referred to as a process where individuals affect others in order to make them aware of changes and trends that will have an impact on the firm’s performance (Dutton & Ashford, 1993). The issue selling process is essential to consider for middle managers when trying to reach top management’s attention regarding certain issues (Ling et al., 2005). The process, which basically is giving attention to an issue, is seen as the first step in the chain of change (Johnson, 2002).

2.3.1 Issue selling process

Dutton and Ashford (1993) describe how the issue seller, at a initial level, has to decide whether to raise an issue or not. The choice is associated with the individual’s beliefs in, and values towards, the attached issue. When the initiation of issue selling has taken place, the issue seller must think of how to promote the issue – more specifically how to perform issue packing. Dutton et al. (2001) describe packaging moves by stating that it includes promoting issues through a business plan’s logic and relating issues with other issues. According to Dutton and Ashford (1993) issue packing is basically referring to how a certain issue is framed, presented and how its boundaries are established. The issue seller can then select among these packing options before presenting an issue in order to make it as successful as possible. Dutton and Ashford (1993) further describe how issue sellers sometimes try to influence the frame of an issue through influencing top management’s perceptions regarding the most vital attributes of the issue. In cases where the issue seller tries to influence the
frame, he or she will deliberately present the issue in a specific way in order to make the issue frame more appealing to top management. The presentation of the issue is considered to be an essential aspect in the issue packaging, since it indicates whether the issue selling attempt will turn out to be successful or not. Previous studies has indicated that when the issue seller is trying to make top management aware of a certain issue, a beneficial strategy is to gain their attention through adding either a colorful story or vivid examples. Instilling a degree of drama and novelty into the issue, as well as including statistics and descriptions supported by data, can create an urgency effect and thereby highlight the issue’s significance, which makes it more likely that the issue will receive attention. According to Dutton and Ashford (1993) the issue seller’s last available packing option is bundling issues with others in order to reach the objectives. Issue bundling is simple referring to what extent the issue is interconnected and related to other issues, and bundling separate issues together can be beneficial since it then can attract attention from a broader range of individuals.

Dutton et al. (2001) discuss how the selling steps are connected with how the issue seller educates oneself before attempting to sell an issue. Additionally, Dutton and Ashford (1993) state that the issue seller’s success is not solely associated with how the issue is packaged. Three selling steps are highlighted to be affecting the success of issue selling: width of involvement, channel choice and formal versus informal tactics. Width of involvement is addressing whether the issue selling is performed solo or with others. This should not be confused with issue bundling; selling solo or with others is rather focusing on the issue seller’s trade off to either sell alone or involve other helping actors to sell the issue. Dutton et al. (2001) state that width of involvement can also be referred to how the issue seller involves peers and superiors in the selling step. Dutton and Ashford (1993) describe how an issue seller also can determine what type of selling channel to use. In this case the selling could be public (e.g. annual stockholder meetings, quarterly meetings, weekly staff meetings) or private (such as private meetings). One potential positive aspect with selling issues when an audience is present, is that it will most likely increase the chance that the top management will look further into the issue. This is due to the fact that the audience tend to put some pressure on top managers to respond to the issue and to appear open towards their subordinates. However, if the top manager feels forced to give attention to an issue in public, which he or she otherwise perhaps would not have prioritized, the issue seller might risk his or her professional image and the way he or she is perceived professionally by the top management. Dutton and Ashford (1993) explain the difference between formal and informal
tactics in the context of issue selling. Personal appeals, negotiations behind-the-scenes and hallway discussion are referred to as informal tactics, while formal tactics for instance involves scheduled presentations, formal reports and formally meetings. The issue selling process is visually summarized below in Figure 1.

Figure 1 – Own illustration of Dutton and Ashford (1993) “Issue Selling Process”

![Diagram of Issue Selling Process]

Ling et al. (2005) discuss the complexity of selling issues within a multinational organization. For instance, the cultural background of a local subsidiary manager might impact his/her actions on issue selling. Also the cultural backgrounds of the top managers affect their perceptions about how issue selling should be handled in the own organization. Moreover, does matching of the cultural backgrounds of the middle and top managers affect the outcome of the issue selling. When the two managers share the same cultural background, the issue selling process is more likely to be successful. This can be linked to the constructs of Hofstede and Hofstede (2005), who argue that negotiations between individuals from different cultural contexts demand insights to the counterpart’s cultural values in order to be successful. If the cultural differences are not taken into consideration it is likely to generate in misunderstandings and unsuccessful communication, which might harm the change of receiving attention to the raised issue.

In terms of issue selling, there can be a level of personal investment at stake for the middle manager when performing issue selling. If the issue presented to the top management does not gain any attention, there is a risk that the top managers will connect the middle manager with issues that are negative or even inappropriate. Further if actions on the issues are taken – but the outcomes are bad – there is a risk that the middle manager that presented the issue gets the blame for the negative outcomes (Dutton & Ashford, 1993). According to Bishop et al. (2011) it is more likely for the issue seller to reach issue selling success when using a preparatory move. Hence, the authors conclude that being prepared before selling an issue,
i.e. “doing your homework”, is considered as a vital aspect for reaching issue selling success. Howard-Grenville (2007) highlights that there is no magic formula for achieving successful issue selling. Her analysis indicates that when different issue selling moves are being put into context, successful and unsuccessful moves can be separated from each other with regards to what they generate in, and not what they are stated to do.

2.4 Theoretical summarization

A summarization of the central theories used for the thesis is presented below in Table 1.

<table>
<thead>
<tr>
<th>Theory</th>
<th>Dimension</th>
<th>Authors</th>
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<tbody>
<tr>
<td>Attention</td>
<td>Flow of attention</td>
<td>Ocasio, 1997</td>
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<tr>
<td></td>
<td>Managers have limited amount of attention</td>
<td>Dutton &amp; Jackson, 1987; Hansen &amp; Haas, 2001</td>
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<td></td>
<td>Weight and voice of subsidiary</td>
<td>Bouquet &amp; Birkinshaw, 2008</td>
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<tr>
<td></td>
<td>Effectively allocation of attention</td>
<td>Valliere &amp; Gegenhuber, 2012</td>
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<td></td>
<td>Negative and positive attention</td>
<td>Bouquet &amp; Birkinshaw, 2008</td>
</tr>
<tr>
<td>Initiative taking</td>
<td>Conflict between autonomy and influence</td>
<td>Ambos et al., 2010; Forsgren et al., 2005</td>
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<tr>
<td></td>
<td>Profile building</td>
<td>Bouquet &amp; Birkinshaw, 2008</td>
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<td></td>
<td>Past initiatives affect on future initiatives</td>
<td>Birkinshaw &amp; Hood, 1998; Bouquet &amp; Birkinshaw, 2008</td>
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<tr>
<td>Issue selling</td>
<td>Biases in issue selling</td>
<td>Bazerman &amp; Moore, 2013</td>
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<td></td>
<td>Issue packaging</td>
<td>Dutton &amp; Ashford, 1993; Dutton et al., 2001</td>
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<td></td>
<td>Issue selling step</td>
<td>Dutton &amp; Ashford, 1993; Dutton et al., 2001</td>
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<td></td>
<td>Organizational complexity in issue selling</td>
<td>Ling et al., 2005</td>
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<td></td>
<td>Personal investment at stake</td>
<td>Dutton &amp; Ashford, 1993</td>
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<td></td>
<td>Successful issue selling</td>
<td>Bishop et al., 2011; Howard-Greenville, 2007</td>
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Table 1 - A summarization of the study’s key dimensions linked to the theory.
3. Method

The following chapter will present the thesis’s methodical approach, i.e. how theories have been selected and how relevant material have been conducted. Furthermore, the chapter also includes a thoroughly description of the study’s research approach, research design, data sources etc. Finally, in order to provide the reader with a more explicit view of the thesis’s method, a summarization of the chosen method is illustrated in a methodological conclusion.

3.1 Research Approach

The deductive and inductive approach has been described in various methodological textbooks (Bryman & Bell, 2005; Ghauri & Gronhaug 2010; Saunders et al., 2009; Yin & Nilsson, 2007; Jacobsen, 2002). Deduction can be described as “testing theory” (Saunders et al., 2009), while induction is when the researcher “builds theory” (Bryman & Bell, 2005). During the beginning of our work with the thesis, we were quite convinced that the thesis had a deductive approach since we were supposed to take existing theories into account, elaborate upon these and eventually come up with a result. However, during our work we became aware of a third approach, the so-called abductive approach. Dubois and Gadde (2002) discuss this approach, which is basically rooted in the fact that research do not tend to solely focus on “testing” or “building” theory, rather to vary between these two approaches in order to study a phenomenon in a decent and fair manner. Furthermore, when the researcher decides to use a deductive or an inductive approach, there is a potential risk that valuable data gets overlooked. If the researcher is not “locked” in a certain framework, it is more likely that this specific risk can be prevented. Hence, we are confident that the abductive approach is the most beneficial one for our thesis since this will allow us to investigate the research questions as freely as possible.

3.2 Research Design

The purpose of this research is to investigate the internal issue selling process at the subsidiary level, in order to examining if existing theories on issue selling are applicable on an individual level. We also aim to uncover the micro-foundations of internal issue selling within a subsidiary and hope that our findings will contribute to broaden the perspective and
understanding of existing theories on issue selling. Hence, we formulated two research questions to capture the essence of the study:

- **How are individuals, employees and managers, selling issues internally within the subsidiary?**

- **How can the internal issue selling within a subsidiary be related to the issue selling that takes place between a subsidiary and its HQ?**

There are various methods that can be used for answering the questions stated above. We believe that a wise reference point in the early stage of the method selection process is to look closer at the qualitative research vs. the quantitative research. Bryman and Bell (2005) give a simple description of qualitative research when arguing that it traditionally emphasize words and are often used to describe how the individual perceives and interprets the social environment. Ghauri and Gronhaug (2010) argue that the main objective of qualitative research is to allow the researcher to gain insights and construct theory. Quantitative research on the other hand is more focused on numbers (Bryman & Bell, 2005). Even though numbers could be included in the following study, e.g. by statistically measure how the individuals at the subsidiary levels are taking own initiatives and sells issues, we believe that statistics or similar numerical methods only would allow us to touch the subject’s surface. Rather, we would claim that the knowledge, competence and answers are rooted in the mind of the individuals at the subsidiary level. Thus, if we want to investigate the phenomenon at a deeper level, we would need to ask these individuals open questions and enable them to elaborate their answers. This implies that our research primarily focuses on words, and not numbers, but also that the questions directed towards the respondents will enable them to openly develop their answers (supported by Bryman & Bell, 2005) – these are our two main arguments for choosing a qualitative research approach.

In line with the arguments of Bryman and Bell (2005) regarding qualitative interviews and given that we ask the respondents open and relatively unstructured questions, we believe that a wise strategy for collecting data within the scope of the study is to interview individuals at the subsidiary level. Interviews can be broken down into three different types; *structured*, *unstructured*, and *semi-structured* (Denscombe, 2009). Structured interviews are clear in the sense that they follow a structured pattern, e.g. survey or questionnaire (ibid). Unstructured
interviews are considerably more open due to the fact that the respondent is not “tied” to a specific questionnaire, it is more like an open conversation (Bryman & Bell, 2005). Finally, semi-structured interviews can be described as a combination between structured and unstructured interviews, where the interviewer has created an interview guide with questions. It is a rather flexible method since it is not limited by a certain structure and thereby enables the respondent to develop the answers in a convenient manner (Denscombe, 2009). By briefly examining the different interview types, we believe that semi-structured interviews are most beneficial for our study. Our choice is based on the following argument; we want the respondent to develop answers and elaborate upon these, not have an open conversation. We want to guide, not lead, the respondent.

Ghauri and Gronhaug (2010) claim that research problems tend to come in many forms, more specifically if the problem is a causal, exploratory or descriptive research, and thus need to be structured in certain ways. Saunders et al. (2009) argue that the causal research is used when the researcher tries to find a causal relationship between variables. Exploratory research is associated with problems characterized by unstructured problems, i.e. when a problem is badly understood. Key success factors for researchers to include in an exploratory research are observations, information collection and constructing explanations. According to Christensen (2010) the descriptive research is suitable to use when the researcher has qualified knowledge concerning a certain area/phenomenon, but lacks a clear and updated perception about the problem. How- and when-questions are typically used for a descriptive research. This study aims to describe how issue selling is taking place at the subsidiary level, and additionally how internal issue selling is related to a macro perspective of issue selling, i.e. between the subsidiary and HQ. If we start by looking closer at issue selling at subsidiaries, it can be argued that issue selling itself is not a new phenomenon since there are quite a lot of theories on the subject and it is thereby not badly understood. However, when going through previous theories on issue selling there seems to be a lack of studies that have examined issue selling throughout the subsidiary, on an individual level, which is why the following study is aiming to describe this research gap. Hence, it can be stated that the following study is a descriptive research.
3.3 Research Strategy
A research consists of one or several research questions with the aim to investigate a phenomenon by determining “who”, “what”, “where”, “how” or “why” (Yin & Nilsson, 2007). The researcher has several strategy options (methods) to choose between when conducting a research, e.g. historical review, focus groups, survey, experiment and case study (Ghauri & Gronhaug, 2010). The purpose with a historical review is to explain something that took place in the past, and hence improve our understanding of the present or start planning for the future (ibid.). Focus groups can be described as group interviews with several participants and the focus lies on the interactive discussion that is taking place between the participants (Saunders et al., 2009). Surveys refer to questionnaires or structured interviews (Bryman & Bell, 2005). Experiments are used when the researcher has compared an experimental group with a control group, which implies that experiments are characterized by causality (Jacobsen et al., 2002). A case study is particularly used when the researcher wants to investigate a scenario or phenomenon in its practical context. The advantages with conducting a case study is that the researcher is studying something that is actually taking place and thereby will get a good insight in the study’s progress. By studying a case, the researcher can determine whether a phenomenon, business, process etc. exists or not (Wallén, 1996). Case studies are useful in various situations when the researcher aims to contribute to an overall knowledge within different research areas (Yin & Nilsson, 2007). When using data from case studies the researcher can often get much closer to the theoretical constructs and will thus be able to deliver credible arguments (Siggelkow, 2007). It is further argued that case studies are an appropriate method when key variables of a management theory are being explored (Gibbert et al., 2008; Eisenhardt, 1989). The purpose of this study is to investigate the issue selling process at the subsidiary level and contribute to the understanding of the existing theories. A case study will allow us to study the issue selling phenomenon in its context (supported by Gibbert et al., 2008), and we therefore believe that case study is the most suited research strategy for achieving a valuable result.

3.4 Data Sources
Lekvall et al. (2001) describe two types of data sources; primary data and secondary data, which are gathered in different ways by the researcher and thus have different areas of use for the research. Saunders et al. (2009) argue that in business studies it is almost a requirement
for the researcher to collect some sort of primary data in order to be able to answer the research question. The roots of this research lies in interviews with employees at L’Oréal Sweden and these interviews will thus work as the primary sources for this specific study. Secondary sources refer to statistics or similar material, for instance previous research (Saunders et al., 2009). The secondary sources used for this study are mainly used as a complement to the primary sources. For instance, we have used catalogues and brochures in order to look at potential interviewees, organizational structure and to gain information about how L’Oréal Sweden is operating on the local market.

Gibbert et al. (2008) argue that triangulation of research material is desired in order to reach a high level of validity of the material. This was ensured by verifying the findings of the study by using multiple perspectives. We have aimed at accomplish this by using the findings from the interviews along with the secondary sources we received from L’Oréal Sweden and further compared this with the literature. In this way we believe that we have managed to look at the phenomenon of issue selling through different angles, via different data collection strategies and with different data sources, which we argue gives strength to our performed research.

Siggelkow (2007) argues that when performing a case study, it is important how the researchers choose which organization to study. The organization should not be selected randomly; there must be a clear reason for why this particular organization is special and why it fit well with the focus of the study. By choosing an organization carefully the researchers will be more likely to gain actual insights about the topic, which other organizations who lacks this specialness would not be able to deliver. We argue that L’Oréal Professional Sweden fills our criteria of specialness; they are a part of a large MNC with subsidiaries spread across the globe; their HQ is located in another country than the subsidiary, which affects the communication between the subsidiary and the HQ. Additionally, the focal subsidiary has recently been given strategic targets from the HQ, whereby they need to implement strategically changes in order to reach the targets. We therefore argue that L’Oréal Professionnel Sweden fills the criteria for being a fitting case organization for our study.
3.5 Interview guide and operationalization

Researchers must ask themselves what they need to know in order to be able to answer the research questions when formulating the interview questions (Bryman & Bell, 2005). One way to ensure that focus is kept on the right topic and that the red thread is held throughout the interview is to create an interview guide. By including all relevant topics for the study and further formulate open sub-questions for each topic, the interview guide will work as a checklist for the researcher during the interview and will help ensuring that all topics are covered (Larsson et al., 2005). There are several aspects that need to be taken into consideration when formulating semi-structured questions for interviews, for example the questions should not be formulated too specific since it then might steer the respondent into answering the question in a specific way (Bryman & Bell, 2005).

We have taken the basis of the three concepts of our study; attention, initiative taking and issue selling, and aimed to adapt and apply them to questions directed towards individuals within the subsidiary in order to be able to investigate them from a subsidiary perspective. To exemplify, the theories regarding attention are focusing on how the subsidiary receives attention from the HQ. We however, wanted to investigate how the individuals within the subsidiary received attention from the subsidiary’s higher management levels. Thus, we reformulated the questions in a way that allowed us to collect such information. In Table 2 we have linked our theoretical framework regarding attention, initiative taking and issue selling with semi-structured interview questions. This way we could ensure that we gathered suitable data and that our purpose of the thesis could be fulfilled. In order to ensure that the respondents fully understood our questions, we made the decision to change some academically terms to a simplified language. We believe the interview questions would have been too academically phrased otherwise and that the respondent would focus more on understanding the questions, rather than to give a thoroughly answer. The clearest example of this is that instead of using the term “issue selling” during the interviews, we chose to say “when you are raising an issue to your manager” or “when you are presenting an ideas for change to your manager”. We are aware that issue selling is not exactly the same as presenting ideas for change, but we believe that the term “issue selling” is often not well known outside the academic field. We do not believe that this choice have any significant negative effect on our study, we rather argue that it helped us receiving open and clear answers throughout our conducted interviews.
Table 2 – Interview guide

<table>
<thead>
<tr>
<th>Attention - Initiative - Issue Selling</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Theory</strong></td>
</tr>
<tr>
<td>Structure of attention</td>
</tr>
<tr>
<td>Receiving attention (positive and negative)</td>
</tr>
<tr>
<td>Voice of the subsidiary</td>
</tr>
<tr>
<td>Initiative taking</td>
</tr>
<tr>
<td>Autonomy vs Influence</td>
</tr>
<tr>
<td>Past initiatives</td>
</tr>
<tr>
<td><strong>Issue Selling</strong></td>
</tr>
<tr>
<td>Structure of Issue Selling</td>
</tr>
<tr>
<td>Issue Packaging</td>
</tr>
<tr>
<td>Issue Selling Process</td>
</tr>
<tr>
<td>Personal investment at stake</td>
</tr>
<tr>
<td>Success of Issue Selling</td>
</tr>
</tbody>
</table>

Table 2 - Selected theories and concepts that have been reformulated and adapted in a way that allowed us to apply them to questions directed towards individuals within the focal subsidiary.

### 3.5.1 Sampling

Saunders et al. (2009) argue that purposive sampling is advantageous to use when performing a case study where the sample size will be small. This method puts high demands on the researcher, since it is up to him/her to ensure that the sample is representative for the larger population. One way to ensure a wide variation within the sample is to use maximum variation sampling, which means that the researcher identifies diverse characteristic features
of the population and then ensure that the sample cover all characteristics (Patton, 2002). Through maximum variation sampling we could ensure that even though we used a small sample size, it was representative for the larger group of the staff at L’Oréal Sweden that we investigated. We primarily focused on employees from the brand L’Oréal Professionnel within the Professional Products Division at L’Oréal Sweden. We further divided the population into three different categories based on the function of the employees, in terms of marketing, sales and education. As a second step we divided the employees within the different categories in groups of managers and employees, and then ensured that we interviewed at least one person from each of the six groups that were created (see Table 3).

The employee level is referring to individuals with no personnel responsibility, i.e. they have no employees beneath them and thereby nobody who reports to them. In general, the employees’ managers are located at the subsidiary. The managers at L’Oréal Sweden that we have interviewed are all based in Sweden, but their manager who they report to are located both in Sweden and abroad. The interviews with the managers are concerning the interviewed manager’s relation to his/her manager, i.e. how they are communicating and take initiative upwards in the organization and not how they are receiving ideas and issues from employees beneath them.

By dividing the employees and managers to different groups before selecting the sample, we could guarantee that our study covered all the functions of the subsidiary, and thus give strength to our results. In addition to the managers and employees within the three categories, we also found it valuable to interview two managers who represent the subsidiary’s top management; the General Manager at the Professional Products Division and the Deputy General Manager for L’Oréal Professionnel. This gives our study more weight since we believe it is important to get the top managers’ perspective of the Swedish subsidiary. Though, due to the anonymity of the respondents, we could not separate the answers from the top managers from the other managers’ answers in the findings section. Regarding the employees at the sales department that we interviewed, we had to use convenience sampling due to practical reasons since the salesmen cover all of Sweden and are therefore not in Stockholm very often. Convenience sampling is the structure of selecting your sample based on who is easiest to reach for interviews (Ghauri & Gronhaug, 2010; Saunders et al., 2009). We see some limitations with our convenience sampling among the salesmen, since the salesmen outside of Stockholm might have a different view of how their ideas and initiatives for change are received among the managers. Though, we argue that the most important
aspect is to interview both the manager and employees from each division, and not particular
the employees’ role nor the market they are operating within. We thus believe that the
convenience sampling do not give our findings any larger complications or skewness. We
told all respondents before every interview that they would be completely anonymous and
that their answers under no circumstances could be traced back to the initial source. By doing
this, we believed that interviewees had the possibility to be more open during their interviews
and that our findings would be a closer reflection of the reality. The quotes that we have used
from the different interviews are therefore coded and the quotes in the findings section can
only be traced to if it comes from an employee or a manager, see Table 4.

Table 3 – Maximum variation sample groups at L’Oréal Professionnel Sweden

<table>
<thead>
<tr>
<th></th>
<th>Marketing</th>
<th>Sales</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>Group 1 (1)</td>
<td>Group 2 (1)</td>
<td>Group 3 (1)</td>
</tr>
<tr>
<td>Employee</td>
<td>Group 4 (4)</td>
<td>Group 5 (4)</td>
<td>Group 6 (3)</td>
</tr>
</tbody>
</table>

Table 3 – Visual table over the sample groups with number of respondents of each group
within brackets. In total 14 interviews were conducted with employees and managers from
the departments of marketing, sales and education.
Table 4 – List of conducted interviews

<table>
<thead>
<tr>
<th>Level</th>
<th>Codified Name</th>
<th>Date of Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>M1</td>
<td>2015-03-19</td>
</tr>
<tr>
<td>Manager</td>
<td>M2</td>
<td>2015-03-19</td>
</tr>
<tr>
<td>Manager</td>
<td>M3</td>
<td>2015-04-09</td>
</tr>
<tr>
<td>Manager</td>
<td>M4</td>
<td>2015-04-09</td>
</tr>
<tr>
<td>Manager</td>
<td>M5</td>
<td>2015-04-09</td>
</tr>
<tr>
<td>Employee</td>
<td>E1</td>
<td>2015-03-19</td>
</tr>
<tr>
<td>Employee</td>
<td>E2</td>
<td>2015-03-19</td>
</tr>
<tr>
<td>Employee</td>
<td>E3</td>
<td>2015-03-19</td>
</tr>
<tr>
<td>Employee</td>
<td>E4</td>
<td>2015-03-25</td>
</tr>
<tr>
<td>Employee</td>
<td>E5</td>
<td>2015-03-25</td>
</tr>
<tr>
<td>Employee</td>
<td>E6</td>
<td>2015-03-25</td>
</tr>
<tr>
<td>Employee</td>
<td>E7</td>
<td>2015-03-25</td>
</tr>
<tr>
<td>Employee</td>
<td>E8</td>
<td>2015-03-26</td>
</tr>
<tr>
<td>Employee</td>
<td>E9</td>
<td>2015-03-26</td>
</tr>
<tr>
<td>Employee</td>
<td>E10</td>
<td>2015-03-26</td>
</tr>
<tr>
<td>Employee</td>
<td>E11</td>
<td>2015-03-26</td>
</tr>
</tbody>
</table>

Table 4 – *List of conducted interviews and their codified names*

In total we performed 16 interviews. With our chosen research design and strategy we believe that our number of interviews, with regard to that we have followed a maximum variation sample and that we thus can ensure that the sample is representative, are significant for this study. We performed 14 interviews with employees and managers at L’Oréal Sweden, with at least one individual from each of the categories presented in Table 3. On top of these interviews, we also performed interviews with the General Manager of L’Oréal Professional Products Division and the Deputy General Manager of L’Oréal Professionnel. These two interviews were different in that sense that the respondents have more general management roles within the organization, which is why we argue that their perspective are important for our study. Nevertheless, the same questions were asked to the general managers as the rest of the respondents. By including the top managers of the subsidiary we were able to include a fraction of the relation between L’Oréal Sweden and the HQ in Paris, since the communication between the two parties are mainly performed by the general managers.

The interviews were all performed face-to-face, which made it possible for us to interpret the body language of the individual that we interviewed. We believed that it was important to meet face-to-face with the respondent in order to ensure that he/she fully understood all
questions and also reducing the risk of any technical problems and communicative misinterpretation. Each interview was around 30-45 minutes long. We argue that the time range was a prerequisite for us to firstly introduce our study, fully understand the respondent’s role, to ask him/her the semi-structured questions, with follow-up questions when necessary, and to receive proper answers from the respondent.

3.6 Data analysis

According to Merriam (1988) the researcher can register and save the answers and data from the interviews through several different methods, ranging from taking briefly notes to record the entire interview. The usage of a recorder is argued to be the best option since this allows the researcher to listen to the material several times and will thus prevent a loss of data. The method using a recorder was therefore chosen for this research in order to be able to use as much information from the interviews as possible. Further, as supported by Saunders et al. (2009), full transcriptions of the responses were performed in order to enable a thoroughly analysis with our theoretical framework. This way we could ensure that we had not missed anything nor distorted the answers from the interviews. The transcriptions were then coded in line with our structure of research focus (attention, initiative taking and issue selling) to ensure that we did not miss any valuable information for each of our constructs. The answers from the interviews were then gathered and compared in a document to discover if there were any patterns in the respondents’ answers. As a second step we separated the answers from the employees and managers in order to study potential differences in the responses of the two groups. Finally, in line with the reasoning of Yin (1994), the recordings, coded transcriptions, company information and comparisons of the transcribed material was saved together to provide full transparency and enable a correct replication of our study.

3.7 Methodical conclusion

3.7.1 Conclusion

To provide a more explicit view of the chosen method, a brief summarization of the made methodological choices are presented below. Figure 2 is describing the path from research approach down to the final step, which is the interview guide.
3.7.2 Methodological discussion and limitations

In order to enable a replication of a study, there need to be a high level of reliability (Gibbert et al., 2008). The reliability of this study is ensured through the recordings and transcriptions of the interviews, along with a presentation of the most vital data in the findings section. Further, do Gibbert et al. (2008) refer to reliability as an absence of random errors. We argue that we have avoided random errors through our triangulation of our material, along with our interview sample where we covered the different employee and management levels within our focal subsidiary. Triangulation is also argued to increase the validity of the study through the studying of the same phenomenon from several different angels and sources (Merriam, 1988). Further, the external validity of the research, which according to Gibbert et al. (2008) is the belief that the theories must be applicable and valid in other settings besides in the one
where they are initially studied, has been taken into consideration. Yin (1994) argues that the
goal of a case study is to contribute to an expansion and generalization of theories, rather than
to provide a statistical generalization where generalizations are made on the basis of a large
empirical data collection. By working with a theory, rather than a statistically large sample,
we believe our theoretical findings to be general enough to be applied in various settings even
though we statistically will not be able to make any generalizations.

Further are we aware that our choice of performing a case study as our research strategy
might come with some limitations and areas of weakness. It is important that the case is
special enough to work as a proper foundation to the study, but at the same time it need to
leave space for generalization to a larger population, otherwise the findings of the study tend
to lose its interest (Siggelkow, 2007). We argue that our choice of case company is special
enough to present a good fit for a case study since it is a large global MNC with many
subsidiaries, and the focal subsidiary have recently been given strategic directions from the
HQ, which puts them in an interesting strategic place for a study. Further we do believe that
our purpose of the study is generic enough to make our conclusions applicable for other
global MNCs beyond the scope of the studied organization. Our study does not aim to only
deliver descriptive data, it is rather to present conceptual insights about the focal area, which
is useful when performing a robust case study (supported by Siggelkow, 2007).
4. Empirical findings

The following chapter contains the summarized outcomes of the conducted interviews with employees from L’Oréal Sweden. The interviews have been divided into two different categories; employees and managers. The distinction between employees and managers is not rooted in the questions asked to the respondents; the same questions have been asked to both parties. Rather, since the study’s intention is to cover the research gap regarding issue selling throughout the whole subsidiary and not just from middle managers up to top managers, the distinction will indicate if there are any differences between the answers received from the managers and the employees. Furthermore, the interviews have followed the same structure as our theoretical chapter; attention, initiative taking and issue selling.

4.1 Employee Level L’Oréal

The employee level is referring to individuals at L’Oréal Sweden with no personnel responsibility, i.e. they have no employees beneath them and thereby nobody who reports to them. As mention earlier in the method section, the 11 interviewed employees either works within education, marketing or sales.

4.1.1 Attention

The questions about attention were related to the amount of attention that the interviewed employee receives from his or her manager and thereby also the structure of their professional relationship. All the eleven employees who were interviewed stated that they talked to their manager at least once a week, and the majority said that they talked to their manager at least once a day. Six employees stated that they only talked about professional matters with their manager, while the other five argued that they talked about both professional and private things with their manager. The majority of the employees stated that they believed that the communication with their manager could affect their professional results. When the employees were asked about their manager’s expectations on them, most of the respondents claimed that the expectations on them were high, but realistic.

Moreover, the following question was aiming to investigate how the employees receive attention from their manager. The respondents’ answer varied, some argued that they receive attention through reaching out and contacting their manager, while a few employees stated
that they receive attention through their weekly updates. Some responses tended to focus on their manager’s lack of giving attention at all, where two of the employees questioned the positive attention within the subsidiary:

“Overall I would say that I think that people are rather bad at giving positive attention at this company” (E8).

“My manager is always very busy, so I often find it hard to gain positive attention” (E10).

More than half of the interviewees stated that they do not have any possibility to affect the attention that their manager give to them, while a minority of the respondents said that they could affect the manager’s attention by approaching the manager and ask for more attention.

“I cannot affect the amount of attention my manager gives me, my manager have too much to do for this to be possible” (E1).

One of the respondents had a different view and stated that that he/she could affect the amount of attention by presenting issues that is preferable for the manager to hear:

“... after a while you do in a way create a filter of ‘this does my manager want to hear’ and ‘this does he not care about’...” (E5).

4.1.2 Initiative Taking

The questions to the respondents concerning initiative taking were related to how the individual, when identifying an important issue, takes initiatives to present these issues/ideas for change to his/her manager. Out of the 11 interviewed employees, ten respondents stated that they took initiative to communicate with their manager. Even though all the interviewees mentioned that they presented ideas for change to their managers, some employees highlighted the difficulties in finding the time as well as motivation to do this often;

“With the [high] workload in mind, it is very hard to be full of initiatives. But of course I try to come up with ideas for improvements and take initiatives when there is time” (E3).
“In the beginning of my time at L’Oréal I did present ideas for change to my manager, but after a while I started to realize that it did not really matter what I presented since I knew that my proposals would not be implemented. Due to the size of the organization, new people are constantly employed and these tend to have a lot of ideas and visions. Unfortunately, just as in my case; their desire and willingness to present changes will fade out relatively quick. It is no secret that everything is governed by Paris, the organization is simply controlled in that way” (E11).

The majority of the respondents were very comfortable about presenting ideas for change to their manager, one employee even argued that raising issues and bringing forward initiatives for change was a part of the role as an employee at the organization.

“I believe that raising issues is somewhat a part of helping the organization, since it will develop and improve current businesses or processes. If no one questions or raises issues everything will look in the same way it always has and eventually the organization will be outcompeted by competitors” (E5).

Moreover, the questions also covered the individual’s desire to affect other parts of the subsidiary, i.e. not only the division where the interviewed are currently stationed. The answers from the employees covered a wide range, from employees stating to have no interest at all, to others who believed it to be important to affect other divisions besides their own. To investigate this issue further, a follow-up question related to the employees possibilities to affect other parts of the organization was asked. The respondents’ answers showed an inability to affect other parts of the organization, the majority of the employees stated that their possibilities to affect other divisions to be very limited. Two persons explained the limited possibilities by highlighting the corporate culture as a contributing factor:

“... it is problematic, many parts of our organization are so deeply rooted from our earlier culture that directions and new implementations have to come from top of the organization and not the bottom” (E11).

“Many parts of the organization are so deeply rooted that initiatives are coming from above and not from the bottom” (E4).
The final question regarding initiative taking related to how important the interviewed employees thought it was to work independently and make own decisions. Almost all respondents at the employee level argued that it was very important for them.

### 4.1.3 Issue Selling

The questions addressed to the respondents focused on the individuals’ action when selling issues and their reflections regarding such procedure. All the interviewed employees stated that they raised issues in order to improve any aspect of the subsidiary. Six respondents had no specific strategy when raising an issue to a manager. The ones who claimed to have a strategy, stated various key success factors when selling issues to managers:

“It is all about having a case ready with a good structure when presenting. To be clear, that everything is pre-packed, since it will make it easier to sell in the proposal” (E3).

“I am trying to have a well substantiated case before presenting an issue and not just come up with ‘this is bad and needs to be changed’ because that would not be very constructive. Rather, I think about the problem and try to figure out a solution and then present it” (E1).

“Within this organization I truly believe that it is important to not ‘tread on anyone’s toes’. So my strategy is to not point out what it wrong, rather to show that ‘here we some room for improvement’ and not just to state it but to actually have concrete proposals. Anyone can identify problems, but it is all about coming up with a solution” (E5).

“I try to explain the advantages with my proposals and sell it” (E11).

“I always base the issue upon some sort of problem that is related to me or my work. I try to make the issue extremely rooted in reality, by for instance including numbers. I am not saying that I have the best proposals, but that is the way I try to sell issues” (E7).

The second question related to whether the respondent chooses to raise issues and present ideas for change at a certain time, i.e. if he/she favored any particular time for doing this. A number of respondents had a similar reasoning and argued that it was best to present the issue
at weekly meetings with their manager, others preferred a time when the manager was not stressed:

“Well of course I try to present ideas for change, or sell in proposals, at a point where my boss is not under any kind of stress. It is more likely that my idea will get better response when my boss is not under pressure” (E2).

Another aspect that were highlighted by a few of the employees was that the end of the month seemed to be a bad time for raising an idea for change within the subsidiary:

“As always in our daily work, everything comes secondary at the end of each month when it is only one thing on the agenda - to make money. This implies that you are not coming up with any types of change proposals during this time period...” (E11).

Moreover, concerning how the individual preferred the manager to receive the initiative for change the respondents’ answer varied, but everyone in some way highlighted that the manager should take the initiative into consideration. Some said that just listening was very important for them, others emphasized critique and honesty from the manager, while some wanted the manager to put own ideas into the proposition. Furthermore, another question was asked with the aim of capturing how the respondent reasoned about if earlier presented issues to the manager could affect how future issues will be received. The majority of the respondents answered yes on that question, while some of the interviewees’ stated that they thought that earlier presented issues could affect how the manager will receive their raised issues in the future. Concerning how often the employees were given positive response when presenting an idea for change, a few interviewees said that they always were given positive response. The majority stated that they were given positive response relatively often, but that their idea rarely led to any actions.

“I am always encouraged to present ideas, my manager likes to get new perspective on things, but I do not know how much actions that are actually taken in the end” (E9).

“I believe it is relatively often [that I receive positive response], if I present 50 proposals I guess that only a few of them will turn out the way I wanted to. Some will vanish because of own doubts and some will be rejected by higher management...” (E5).
4.2 Manager Level L’Oréal

The individuals at L’Oréal Sweden with personnel responsibility, which means that they have employees reporting to them, fall into the category called manager level. Five managers have been interviewed; three of the interviewed managers work within marketing, sales and education, one is entitled Deputy General Manager of L’Oréal Professionnel and one is the General Manager for L’Oréal Professional Products Divisions. The answers are regarding the interviewed managers’ relation to their manager with a focus on how they are taking initiatives and communicating upwards in the organization.

4.2.1 Attention

Most of the manager stated that they had frequent communication with their manager, which implies that they are given a high amount of attention. Four out of the five interviewed managers stated that they talked to their manager at least once a day, but often several times a day. All the managers said that they only talked to their manager about job related business, and everybody stated that they felt high expectations from their manager. One of the managers emphasized that the demands and expectations from his/her manager are justified, and not a source of pure control;

“They [my manager and the HQ in Paris] have strong demands and strong expectations, and there is a difference, which some people might think comes through as control but it is really not” (M5).

On the question “How do you receive attention from your manager?” the majority of the individuals responded that they would get it by contacting their manager through an email or on the phone, other ways of receiving attention was by contacting the manager in person, and one respondent mentioned that attention only were given when the manager contacted him/her. All the interviewed managers had different reasoning concerning affecting the attention that their manager gives to them. Reaching out to the manager more and focusing on keeping the communication positive are examples of answers that were brought up during the interviews.
“...my manager has his weak spots that triggers him, so you can really get his attention straight away” (M3).

“You can always get attention from your boss in a good or a bad way and I always try to receive my manager's attention in a positive way, even if it is a difficult discussion that we have” (M5).

The interviewed managers were rather split in their believe that their communication with the manager could affect their ability to reach their targets; three of the managers said that they definitely thought that it could affect their performance, while two argued that the communication did not affect them at all.

4.2.2 Initiative Taking

All the interviewed managers stated that they frequently took initiative to communicate with their manager. In addition, all the respondents also mentioned that they presented ideas for change to their manager and that they all felt comfortable doing this. Though, everybody did not present ideas very often, one manager stated that:

“I do [present ideas for change], but to be honest I do it very rarely. I wish I had more time to spend on issues and improvements” (M3).

The conducted interviews showed that the interest among the managers to affect other departments/divisions of the subsidiary, i.e. not their permanent department, was rather low. Only one of the respondents said that he/she had a genuine interest to affect other parts of the subsidiary, while the overall feeling among the managers were that they only wanted to focus on their own business division.

“...it could be interesting to affect other division’s work, but only if it would benefit my own division” (M1).

“My interest was high in the beginning of my career at L’Oréal, but it has decreased over time” (M4).
The managers all said that the possibilities to affect other parts of the subsidiary but their own were very low, and some of them even claimed such possibilities to be non-existing. All the managers emphasized the importance for them to be able to make their own decisions in their daily work and to be independent in their professional role.

4.2.3 Issue Selling

One of the questions related to issue selling focused on whether the respondent had any specific strategy when raising issues in order to improve any aspect of the subsidiary. Two of the respondents stated that they did not have any strategy for presenting. The other three said that they had some form of strategy and they explained their issue selling process in the following way:

“In the end, all the changes that we make should be beneficial either for our revenues or costs. Therefore I have to argue for my proposals. I start with describing what the change would generate in; partly how we would benefit from the change in short terms, but especially in long terms. I try to use soft arguments but also include numbers to indicate ‘this is the reason why we need the change’, that is how I generally try to sell issues” (M3).

“Always to start with what the change would result in, in terms of revenue growth, and the advantages. To tell ‘now I will show how we will increase the revenue’ to get the [manager’s] attention. Managers are making fast decisions, which implies that you often have very short amount of time when presenting an idea for change, so a wise strategy is to jump directly to the benefits of the change” (M1).

“My way of doing it is basically: - What is the problem? - Who is it affecting? - Is it at a department only in Sweden or is it a department across the Nordics? And if it is, I might even have to understand the stakeholders in that” (M5).

The managers presented different answers to the question “Is there a best time/opportunity to present ideas for change?”. For instance, one manager claimed that the best time was during budget time, which occurs once a year. Other stated the best time to be at their weekly updates with their manager and in the beginning of the month, when there is not as much pressure on earning money.
“The beginning of the month is definitely the best time for presenting ideas and gaining attention. In the end of the month there tend to be a lot of tunnel vision, where the focus is to earn fast money to the company” (M3).

The thoughts on how the manager should receive an idea for change also varied among the interviewees. Many of the answers reflected that the interviewed managers wanted to receive constructive feedback and that their manager kept an open mind and reflected upon their idea. One manager expected his ideas to be realized without any longer discussions, while another argued that he/she almost always knew how his manager would react upon his suggestions, since they had worked together for a long time.

“I am rather experienced, so I know what kind of feedback I can expect from my manager and how he/she is going to react on my ideas and raised issues” (M3).

Concerning the question about if the respondent thought that their presented ideas could affect how their manager would receive future ideas, one person stated that he/she did not think in such terms with the quote:

“Of course you have to think about what you are presenting, and you have to think that if I present something highly controversial, others would think - why on earth would someone present that? But I don’t think that comes very often, that you think that ‘I can’t present this because it may affect my boss’s future decisions. For me it’s a very political way to be thinking and I am not so much like that, but that might just be me” (M5).

The majority of the respondents stated that they thought that their presented ideas could affect the way their future ideas would be received. One manager mentioned that:

“I do believe so. If I present a good suggestion and it is received well by my manager, I will increase my credibility and the manager’s trust, since my manager will remember that in the future; that I deliver good results” (M1).

The majority out of the five interviewed managers argued that they frequently receives positive feedback from their managers on their ideas for change, one respondent added:
“I get positive response all the time, but it does not imply that everything I do is right, but at least I am trying to do something” (M2).
5. Discussion

The following chapter will combine the thesis’s theory with the empirical findings. The aim is to explicitly demonstrate the differences and similarities between employees and managers answers on the subsidiary level as well as how their reasoning can be interpreted with the help of existing theory. The discussion is once again divided into the three different headings; attention, initiative taking and issue selling.

5.1 Attention

Attention has been defined in different ways, but a summarizing definition is presented by Ocasio (1997) as noticing, encoding, interpreting, and focusing of time and effort on issues and answers within an organization. Attention within an organization can thus be seen in many different ways and through many different lenses. We have studied how attention is sought by employees and managers throughout L’Oréal Sweden in order to investigate if the theories on organizational attention are applicable in a subsidiary setting as well, and not just in the relationship between the subsidiary and the HQ. At L’Oréal Sweden the interviewed managers stated that they only talked to their managers about purely business related topics, while almost half of the employees said that they talked about both private and professional topics with their manager. This could be interpreted as the higher up within the organizational levels you are, the less personal you get with your manager and the more professional is the attention that you receive.

Bouquet and Birkinshaw (2008) state that positive attention is value-building and forward looking, which thereby can enhance the subsidiary’s performance. We believe that this can be applied on the relationship between employees and managers as well and that positive attention between the individuals can result in improved performance. One of the managers emphasized the importance of keeping the communication with his manager positive “You can always get attention from your boss in a good or a bad way and I always try to receive my manager’s attention in a positive way, even if it is a difficult discussion that we have” (M5).

Bouquet and Birkinshaw (2008) and Forsgren et al. (2005 stressed the potential problem that negative attention might exist in terms of corporate interference, control and monitoring,
which limits the autonomy of the subsidiary. All the managers and employees who were interviewed at L’Oréal Sweden, besides one, stated that they experienced high expectations from their manager. One possible reason for the high expectations on the individuals within the subsidiary could be that the HQ has high demands on their results and therefore wants to control and monitor the work of the individuals. Many respondents mentioned that the HQ are governing much of the subsidiary activities and that it is hard for the individuals at the subsidiary to affect strategic and operative decisions. However, one manager explained that many of the employees find the demands from the HQ to be controlling, but meanwhile emphasized that it really is not about control, rather high demands on the result. It could thus be argued that the control issue is hard for the management to balance, since even though they are not intentionally controlling the subsidiary, it is still perceived as control.

A number of authors have stated that the amount of attention that a subsidiary receives from the HQ is of relevance for the result of the subsidiary and how well it can perform (Bouquet & Birkinshaw, 2008; Ambos et al., 2010). Through our study we find support for this argument to be valid on the individual level within a subsidiary as well. Eight of the eleven interviewed employees stated that they believed that their communication with their manager affect their professional work result and among the managers did three out of five say that it affected them. Bouquet and Birkinshaw (2008) argue that when a subsidiary are given too much attention it might result in negative effects, for example is it hard for the subsidiary to keep autonomous when they are constantly monitored by the HQ. We believe that this is applicable in the relation between an employee and his/her manager as well. Almost all of the respondents stated that it was very important for them to be independent and make their own decisions within their work, which can be seen as an indicator that autonomy is considered important also within the subsidiary, and not just between the subsidiary and the HQ. It can thereby be valuable for the managers to consider how much attention they are giving to the employees in order to enable them to deliver as high results as possible, but at the same time let them keep their autonomy and their possibility to make their own decisions.

At L’Oréal Sweden a divergence was discovered concerning how the employees and managers receive attention from their manager. At the management level everyone stated that they receive attention by asking for it, while among the employees it was only four out of eleven individuals who stated that they received attention by asking for it. Two of the employees even stated that their manager was bad at giving attention, which could be
connected with the fact that the middle managers who they respond to have limited attention to allocate (supported by Dutton & Ashford, 1993; Hansen & Haas, 2001). Bouquet and Birkinshaw (2008) state that the subsidiary managers often have a large impact of the amount of attention that the subsidiary will receive from the HQ. This is supported by the empirical findings to be valid among the managers at the subsidiary level, where all the managers argued that they could affect the attention they received from their manager. The same result was not found at the employee level, where only a few of the interviewed employees stated that they could affect it.

The concept of subsidiaries using their “weight” and “voice” to make the top managers provide them with attention is discussed by Bouquet and Birkinshaw (2008). In our study we wanted to apply this theory on the individual level within the subsidiary in order to investigate if this extension of the theory is possible. In the following study the weight of the individual is considered as his/her position within the organization, and presumably the higher position, the higher weight. The voice is the individual’s own capability to speak up and to present his/her ideas upwards within the organization. From this viewpoint the weight of the interviewed managers should be heavier than the one of the interviewed employees since their structural position within the subsidiary are higher, while the voice is decided individually with no regard to professional role. The findings from the conducted interviews support that the theory of the weight and voice also can be applied on individuals within an subsidiary. All the interviewed managers stated that they could affect the attention they receive from their manager, but among the employees it were only five out of eleven who felt the same way about their manager. One employee stated: "I cannot affect the amount of attention my manager gives me, my manager have too much to do for this to be possible" (E1). From these answers, it could be argued that the weight of the managers’ position enable them to affect the attention that they receive and that among the employees, who lacks the heavy weight, it is more of an individual matter depending on how strong voice they have.

We found that the employees who stated that they could affect their received attention and the interviewed managers had similar tactics in how they affected the attention. Both on employee and manager level it was stated that a good tactic is to know what their manager wants to hear and frame the communication to be in line with that. This is supported by Bazerman and Moore (2013) who argues that managers are often biased by their own interest and will thus be more likely to pay attention to issues that are in line with these.
Valliere and Gegenhuber (2012) argue that the HQ should allocate its resources effectively in order to avoid missing out on important business opportunities. Further does Birkinshaw (2011) state that the attention that top managers allocate to different issues automatically comes at the cost of neglect of other issues. The findings showed that a clear majority of the employees and managers had no problems presenting ideas for change to their manager, and felt comfortable doing this. However, even though many of the employees felt comfortable presenting ideas for change, many of them emphasized that it rarely led to any actions within the subsidiary. Hence, it is possible that the longer the individuals have worked within the company, the less ideas they presents because they feel that it does not lead to any actions. One of the employees stated “In the beginning of my time at L’Oréal I did present ideas for change to my manager, but after a while I started to realize that it did not really matter what I presented since I knew that my proposals would not be implemented” (E11). A possible assumption is thus that the ideas that the employees present and raises within the organization are the ones that the top managers neglect due to their limited amount of attention to allocate. In order for the employees’ ideas to gain more attention and action it could thereby be argued that a better strategy when packaging and presenting the issues seems to be needed.

5.2 Initiative taking

According to Ambos et al. (2010), a subsidiary can use initiative taking to steer which direction it want to take and what profile it will have within the MNC. Subsidiaries often tend to have an internal conflict of which direction to take, it often both want to keep its autonomy and simultaneously affect other units within the MNC. In support to this, Forsgren et al. (2005) argue that subsidiary managers often want a certain degree of independence and autonomy. We have investigated how the employees and managers at L’Oréal Sweden are reasoning about these aspects in order to examine if the earlier presented theories are applicable at a subsidiary level as well. A majority of the employees had an interest of affecting other divisions within the subsidiary besides the one where they currently are, while at the manager level only one respondent stated to have the same interest. This finding can be seen as rather odd, since one might argue that the ones with most experience and highest positions within an organization, usually managers, are perhaps the ones who should have such interest. However, this could be described with another reasoning, one manager
answered that an interest had existed but had decreased over time. If we use the same reasoning as earlier; that the managers are the ones with most experience, it is possible that some of the employees are at the early stage of their career and that their interest will turn out differently and decrease over the years. This argument is supported by several of the conducted interviews where the respondents, both employees and managers, expressed their possibilities to affect other parts of the subsidiary as limited, very low or none existing. A possible explanation is that the employees’ interest might decrease over time due to the fact that the possibilities to perform change is described as low.

To investigate the autonomy of the individuals within the focal subsidiary, the respondents were asked to describe their opinion on working independently and making own decisions. Almost all respondents, from all sampling groups, claimed that this was an important matter for them. The finding is in line with the arguments of Forsgren et al. (2005), who argue that subsidiary managers often want a certain degree of independence and autonomy. Nevertheless, many respondents also claimed that there is not much room for making changes at the subsidiary level due to the fact that the HQ rather strictly monitors them. This may somewhat sound slightly contradictory; the interviewees claimed that independency and making own decisions were very important, but the HQ rarely allowed them to make any changes. However, the study is taking the micro-foundation aspect into account and it is possible that larger strategic decisions of the MNC are not taken at the subsidiary level, which makes the employees feel that they have the ability to affect their daily work but not the larger decisions. Further, the respondents’ arguing about control from the HQ can, from a theoretical perspective, be described with the words of Ambos et al. (2010); a high level of monitoring by the HQ often leads to a decrease in the subsidiary’s freedom in making independent strategic decisions.

Hewett and Bearden (2001) highlight trust and dependence between the subsidiary and the HQ to be a type of “wanted condition”, where both the subsidiary and the HQ are feeling comfortable with one another. The authors argue that this should motivate both parties to participate in activities that are beneficial for the MNC. Our findings show that a feeling of comfort exist between the respondents and their managers within the subsidiary. All the respondents stated that they felt comfortable with presenting ideas for change to their manager, which might be one of the reasons why everyone who were interviewed at L’Oréal
Sweden actually presented these kinds of ideas and raised issues and ideas for change to their manager.

Our questions to the respondents that were related to the theoretical framework on initiative taking, focused on whether the interviewees contacted managers on their own initiative or not. The respondents, both on manager and employee level, had similar opinions concerning this matter since all the respondents took initiative to communicate with their managers. Likewise, all the respondents stated that they presented ideas for change to their manager, which indicate that there is an interest among both the employees and managers to affect the subsidiary and its structure and strategies. These findings supports the further study of initiative taking within the subsidiary because the initiatives and issues that are raised by the employees might have an impact on the entire subsidiary.

5.3 Issue Selling

The study is primarily focusing on issue selling and if the theories on the topic are applicable on an individual level within a subsidiary. The performed interviews aimed at investigating if the managers and employees had any specific strategy when selling issues. Issue selling is described as a process where individuals try to affect others and making them aware of trends or changes that will have an impact on the organization’s performance (Dutton & Ashford, 1993). The process is used by middle managers for reaching top management's attention (Ling et al., 2005) and it can be seen as the first step in the chain of organizational change (Johnson, 2002). The following study have used the term “internal issue selling” since the aim is to capture the essence of how issue selling is being performed within the subsidiary, to cover the individual level rather than only focusing on the macro aspects, which exist between the subsidiary and HQ. Dutton and Ashford (1993) argue that the individual, at the initiative level, has to decide whether to raise an issue or not. As mentioned earlier, the conducted interviews showed that everybody took initiative to contact their manager and raised issues to improve various aspects of the subsidiary. In addition to this finding, everybody stated that they were comfortable doing this. We believe that this indicates that the will to affect the subsidiary and to come up with ideas and suggestions for change is not isolated to the top management of a subsidiary, it rather seems to exist throughout the entire subsidiary. Thus, it can be argued that an expansion of the concept of issue selling could be
helpful for the understanding of the relation between the subsidiary and HQ, since many of the employees might have ideas and issues worth raising to the top management.

According to Dutton and Ashford (1993) the issue seller should, after the initiation phase, think about how to promote the issue; so-called issue packaging. Dutton et al. (2001) argue that issue packaging includes promoting issues through a business plan’s logic, while Dutton and Ashford (1993) explain that issue packaging is referring to how a certain issue is framed, presented and how its boundaries are established. First of all, only a few of the respondents stated that they used a specific strategy when selling issues. Out of these individuals some had a reasoning that could be connected to the framing of an issue, since they highlighted thoughts on how they prepared before presenting an idea to their manager. Dutton and Ashford (1993) further describe how the issue seller sometimes tries to influence the frame by deliberately present the issue in a way to make it more appealing to top management. Even though none of the respondents explicitly stated that they purposely tried to influence their manager’s perception of the issue, it could be argued that some interviewees used a certain language to gain attention, e.g. “To tell [the manager] ‘now I will show how we will increase the revenue’ to get the [manager’s] attention...” (M1) and “I try to use soft arguments but also include numbers to indicate ‘this is the reason why we need the change’...” (M3).

The concept of issue presentation is described by Dutton and Ashford (1993) as an essential aspect in issue packaging since it indicates if the issue selling attempt will turn out successfully or not. The conducted interviews showed a tendency that the theories on issue presentation could be applied on an individual level within the subsidiary. For example, two managers stated that they always started to present the possible outcomes of their idea and what the change would lead to. Two employees showed a somewhat similar reasoning, since they also were paying attention to the start of the issue presentation. However, compared to the managers, the employees were focusing on an even earlier phase in issue selling, in terms of how to prepare before approaching the manager. The employees focus more on having a good structure of the issue and having a clear case when presenting to the manager, rather than focusing on the outcomes like the interviewed managers did. The employees’ thoughts are in line with Bishop et al. (2010) reasoning concerning successful issue selling – it is more likely for the issue seller to reach issue selling success when using a preparatory move. Furthermore, to include colorful and vivid stories, instilling a degree of drama or including
numbers have also been declared as beneficial strategy when selling issues (Dutton & Ashford, 1993). This could be seen in some of the interviews, where the respondents expressed the usage of numbers as a good tactic when selling issues.

When going over the managers and employees interviews, it becomes quite clear that gaining the manager’s attention at an early point is one of the most vital aspects for achieving a positive outcome. This can be described by simply referring to one of the most used arguments in this thesis; managers have limited attention. To attract the manager’s attention at an early stage, a number of the respondents stated some key success factors. The first factor, which almost can be described as a necessity, is to be highly prepared before selling an issue. Second, the issue seller must put emphasize on the start of the issue selling process, since it will indicate if the manager will continue to listen or pay his attention elsewhere. Finally, the issue seller can with the usage of numbers, in terms of revenues and costs, financially support the issue. Corporations are often profit seekers and a possible assumption is that some of the manager's biggest interests are rooted in profitability.

Concerning the issue’s boundaries, i.e. bundling issues with one another in order to reach out to a broader range of individuals (Dutton & Ashford, 1993), none of the employees answered that they were thinking in such terms. Moreover, the issue seller’s success is not only associated with how the issue is packaged; the selling steps are also described as vital for the issue seller, and includes width of involvement, channel choice and formal versus informal tactics (Dutton & Ashford, 1993; Dutton et al., 2001). When examining with of involvement, it seemed that both the employees and the managers only were selling issues solo. Concerning the interviewees’ choice of channel some of the interviewees mentioned that they preferred to raise their ideas and issues at weekly meetings with their manager, since they had their manager’s full attention during these occasions. This could further be seen as a formal tactic, since it is a planned meeting with a rather controlled outline.

Within MNCs there is always some level of cultural complexity that needs to be taken into consideration when studying the structure of communication between different parts of the MNC (Ling et al., 2005; Hofstede & Hofstede, 2005). Cultural differences is therefore argued to be an issue to consider when a subsidiary is performing issue selling to the HQ, since the different parts of the organization often are located in different countries and their employees does not always share the same nationality and culture. Though, when studying internal issue
selling within a subsidiary this might not be as complex since the employees within a subsidiary work in the same cultural context and often share the same nationality. We found this to be the case at L’Oréal Sweden where all the interviewed employees and managers, besides one, shared the same nationality and everybody had lived within the same cultural context for several years. We thereby do not believe there to be any significant cultural complexity to take into consideration when studying the internal issue selling at the focal subsidiary.

Dutton and Ashford (1993) discuss the personal risk of the issue seller, that he or she might get the blame if the presented issue turns out to have negative outcomes for the organization. Further do Birkinshaw and Hood (1998) and Bouquet and Birkinshaw (2008) argue that past-presented initiatives by the subsidiary could affect future resources allocated by the HQ. Within L’Oréal Sweden a clear majority of the respondents stated that they thought their presented ideas for change could affect how their future ideas were to be received by the management. This could be linked to an awareness of personal stake when raising an issue, both at employee and management level, and it could be affecting the employees’ and managers’ choice to raise an issue or not. Though, most of the interviewed employees and managers stated that they almost always received positive feedback on their presented ideas, which could indicate that they are encouraged to raise ideas and issues to their managers. This is further supported by the fact that all the interviewed employees and managers claimed that they are raising issues and ideas for change to their manager. We thus believe that it is valuable that the management within a subsidiary provides the employees with positive attention when they are raising an issue. The positive attention is value-building and can enhance the performance of the subsidiary (Bouquet & Birkinshaw, 2008), which makes it important to consider for the management in order to keep encouraging the employees to raise issues and ideas for change. This was supported by one of the employees, who argued it to be important to raise issues in order to help the organization to develop and move forward.

In order to reach successful issue selling it is highlighted that the issue seller should be performing preparatory moves and making active choices in the issue selling process (Bishop et al., 2011). Though, since there is no “magic formula” or a one best way to perform issue selling, the process needs to be adapted to the situation and context that the issue seller is facing (Howard-Greenville, 2007). On an individual level this could be linked to the personal relationship that the issue seller have with his/her manager and the influence that this might
have on the success of the issue selling. Some of the interviewed employees at L’Oréal Sweden highlighted that they had worked with their manager for a long period of time and thus knew what their manager wanted to hear and how they should present the issue in order to get the manager’s attention. “... after a while you do in a way create a filter of ‘this does my manager want to hear’ and ‘this does he not care about’...” (E5). This could be seen as both positive and negative for the issue selling process. Positive in terms of that the issue seller then knows how to frame the issue in order to get the manager’s attention, which would increase the chance of gaining attention and requested resources to the issue. The negative aspects of this could possibly be that the employee think he/she already knows what issues that the manager will take actions towards and what issues the manager will ignore, which might affect the employee’s choice of raising an issue or not. One of the manager said that he/she almost always knew how his/her manager would act upon the raised issues and ideas since they had worked together for quite a long time.

The findings from the interviews showed that 60 % out of the managers had some form of strategy when raising an issue and among the employees 45 % stated the same thing. Some of the employees mentioned during the interviews that they often received positive feedback on their ideas, but that it almost never resulted in any actions among the management. This finding indicates a potential need to improve the issue selling process internally within the subsidiary in order to improve the outcomes of the presented issues. If all the employees would have been “doing their homework”, as Bishop et al. (2011) state, before raising their ideas for change the outcomes might have been different and that more ideas could have led to action among the managers.

5.4 Extended theory summarization

Table 5 is presenting our theoretical framework and how it is connected with the research questions of the study. Further the theories are linked to an individual level of issue selling within a subsidiary in order to develop an adaption and understanding of a micro-foundational perspective of the theories.
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<td>“Overall I would say that I think that people are rather bad at giving positive attention at this company” (E8) : “You can always get attention from your boss in a good or a bad way and I always try to receive my manager's attention in a positive way” (M5)</td>
<td>Positive attention encourages issue selling, while negative attention discourages</td>
<td>All initiatives are labelled as negative or positive by the manager</td>
</tr>
<tr>
<td>Initiative taking</td>
<td>Conflict between autonomy and influence</td>
<td>Ambos et al., 2010; Forsgren et al., 2005</td>
<td>“...it could be interesting to affect other division’s work, but only if it would benefit my own division” (M1) ; “It is no secret that everything is governed by Paris, the organization is simply controlled in that way” (E11)</td>
<td>The issues that are raised are linked to the subsidiary profile of being either autonomous or influential</td>
<td>The interest of affecting other divisions within MNC affects the issues that are sold</td>
</tr>
<tr>
<td>Profile building</td>
<td></td>
<td>Bouquet &amp; Birkinshaw, 2008</td>
<td>“With the [high] workload in mind, it is very hard to be full of initiatives. But of course I try to come up with ideas for improvements and take initiatives when there is time” (E3) ; “...I believe that raising issues is somewhat a part of helping the organization, since it will develop and improve current businesses or processes” (E5)</td>
<td>Issues are raised in order to enhance the subsidiary profile</td>
<td>The employees and managers are raising issues that are in line with their personal profile</td>
</tr>
<tr>
<td>Past initiatives affect on future initiatives</td>
<td></td>
<td>Birkirshaw &amp; Hood, 1998; Bouquet &amp; Birkinshaw 2008</td>
<td>“...If I present a good suggestion and it is received well by my manager, I will increase my credibility and the manager’s trust, since my manager will remember that in the future; that I deliver good results” (M1)</td>
<td>Individuals are selling issues internally with regards to previously raised issues</td>
<td>Personal investment at stake for the issue seller due to a risk of neglect in the future</td>
</tr>
<tr>
<td>Theory</td>
<td>Dimension</td>
<td>Authors</td>
<td>Quotes from the interviews</td>
<td>Relation to RQ</td>
<td>Individual level</td>
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<td>-------------------------------</td>
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<tr>
<td>Issue selling</td>
<td>Biases in issue selling</td>
<td>Bazerman &amp; Moore, 2013</td>
<td>“I know what kind of feedback I can expect from my manager and how he/she is going to react on my ideas and raised issues” (M3); “…my manager has his weak spots that triggers him so that you can really get his attention straight away” (M3)</td>
<td>Biases might affect the issues that are sold</td>
<td>Mangers are biased by their own interests and will therefore pay attention to issue that are in line with these</td>
</tr>
<tr>
<td>Issue packaging</td>
<td></td>
<td>Dutton &amp; Ashford, 1993; Dutton et al., 2001</td>
<td>“…I try to use soft arguments but also include numbers to indicate ‘this is the reason why we need the change’, that is how I generally try to sell issue” (M3); To tell ‘now I will show how we will increase the revenue’ to get the manager’s attention” (M1); I try to make the issue extremely rooted in reality and including numbers (E7)</td>
<td>Issue packaging affects the outcome of the issue selling</td>
<td>The issue seller makes choices regarding how to package the issue</td>
</tr>
<tr>
<td>Issue selling process</td>
<td></td>
<td>Dutton &amp; Ashford, 1993; Dutton et al., 2001</td>
<td>“I try to explain the advantages with my proposals and sell it” (E11)</td>
<td>The issue selling process affects the outcome of the issue selling</td>
<td>The issue seller makes choices regarding how to sell the issue</td>
</tr>
<tr>
<td>Organizational complexity in issue selling</td>
<td></td>
<td>Ling et al., 2005</td>
<td>“… it is problematic, many parts of our organization are so deeply rooted from our earlier culture that directions and new implementations have to come from top of the organization and not the bottom” (E11)</td>
<td>The success of issue selling could be affected by the cultural background of the seller and receiver</td>
<td>Cultural differences might have an impact on how the issue is presented and received</td>
</tr>
<tr>
<td>Personal investment at stake</td>
<td></td>
<td>Dutton &amp; Ashford, 1993</td>
<td>“Well of course I try to present ideas for change, or sell in proposals, at a point where my boss is not under any kind of stress. It is more likely that my idea will get better response when my boss is not under pressure” (E2)</td>
<td>Individuals might choose not to raise an issue with a high personal investment at stake</td>
<td>Personal investment at stake for the issue seller</td>
</tr>
<tr>
<td>Successful issue selling</td>
<td></td>
<td>Bishop et al., 2011; Howard-Greenville, 2007</td>
<td>“It is all about having a case ready with a good structure when presenting. To be clear, that everything is pre-packed, since it will make it easier to sell in the proposal” (E3); “I am trying to have a well substantiated case before presenting an issue and not just come up with ‘this is bad and needs to be changed’” (E1)</td>
<td>Issue selling success is linked to preparatory moves</td>
<td>The issue seller have the possibility to affect the success of the issue selling process by being well prepared</td>
</tr>
</tbody>
</table>

Table 5 – Extended theory summarization with added quotes from the interviews connected to the research questions and an extension of the theories to an individual level.
6. Conclusion

All the organization’s decisions and strategies are taken by individuals and are thus in one way or another bounded rational (Simons, 1947). Therefore, it could be argued valuable to understand the micro-foundations of issue selling and how it is connected with individual behavior on a micro level in order to fully understand the theories on a larger scale. In line with the presented literature and the purpose of the thesis, we argue that the root of understanding the process of issue selling lies in the structure of attention and initiative taking. Our findings show that attention affects the professional work results among both managers and employees. This is complicated by the fact that middle managers have limited attention to allocate, which can result in a sense of neglect among the employees and a feeling of not being heard when selling issues to their manager. The findings regarding initiative taking show that all respondents within the subsidiary took initiative to present ideas for change and raised issues to their manager. Though, a tendency could be seen that the longer an individual had been working at the subsidiary, the less initiatives were taken. A reason for this could be the finding that the presented ideas rarely led to any actions from the management and that the interest to take initiatives thereby decreased.

The first research question was formulated in the following way: “How are individuals, employees and managers, selling issues internally within the subsidiary?”

When examining the internal issue selling process we found that all respondents performed initiation of issue selling, since they raised issues to their manager. The second part of the issue selling process is the issue packaging, which could be found in a few of the respondents’ answers. Three different packaging moves were identified; to be highly prepared before raising an issue, have a good start of the presentation to keep the manager’s attention, and to support the issue with financial data. Nevertheless, a rather surprisingly finding was that the final part of issue selling, the selling step, were not explicitly brought up by any of the respondents. This could indicate that a complete issue selling process is not taking place on the subsidiary level today, or it is possible that the employees are performing this step unconsciously and that it therefore was not brought up during the interviews.
The second research question was formulated as: “How can the internal issue selling within a subsidiary be related to the issue selling that takes place between a subsidiary and its HQ?”

Here a conclusion can be drawn that the ideas and initiatives raised by the individuals within a subsidiary have the potential to generate in strategic and organizational improvements on a macro perspective for the MNC. The ideas from the employees and managers, who are working close to the customers and thus might possess valuable market-specific knowledge, are raised to their managers that in turn are the ones communicating with HQ. A connection can therefore be seen that the issues, which the individuals on a subsidiary level raise, further have the potential to be sold to the HQ. An understanding of the individual level of internal issue selling is thereby the foundation of the larger scale issue selling that are taking place between a subsidiary and its HQ. Employees and managers within a subsidiary should therefore be encouraged to take initiatives, in order to not miss out on valuable inputs from the individuals at the subsidiary. This leads us to draw the conclusion that the micro-perspective of issue selling is an essential aspect for MNCs to recognize, since an understanding of the individual level of issue selling within the subsidiary will enable a further understanding of the issues that are later raised by the subsidiary management to the HQ.

6.1 Limitations

There are of course a number of limitations with the study and additionally some statements that deserves to be questioned. One of the most vital lies perhaps in the conclusion on issue selling, the fact that no clear results were presented about the selling step. The reader might argue that the researchers have a certain responsibility concerning this matter; it seemed to be a lack of questions about the selling step towards the respondents. However, once again we find it important to highlight the fact that we wanted the respondent to describe, with his/her own words, how issues were being sold within the subsidiary. We decided to not provide the interviewee with any sort of frameworks for how the literature is describing the process, since we believed that it could affect the answers. In our opinion, this gave us the most “honest” answer by every single respondent. Though, at the same time we are aware that this might have limited the answers to only cover the initiation phase and the packaging moves and that the selling step might have been left out unintentionally by the respondents.
Another limitation with the study is rooted in the choice of theory; more specifically that one source (Dutton & Ashford, 1993) is more or less permeating the whole thesis. Some might argue that this affects the validity of the study. However, when going over the theories on issue selling, it turns out that basically all authors are referring to Dutton and Ashford (1993), which we argue to be a sign of their acknowledgement. Another aspect to take into consideration, when mentioning the validity of the study, is that a larger sample or inclusion of several case companies would have been preferable to provide the findings with more support.

6.2 Suggestion for future research

Our first recommendation for future research on internal issue selling is to perform a study with a larger sample size and preferable include several different organizations to perform case studies with. This would enable the researcher to deliver a more generalizable result, which thus would be able to provide heavier supported conclusions than we were able to deliver. Another suggestion is to cover the entire MNC, from the employees of the subsidiary all the way to the top management of the HQ. To study both the internal issue selling within a subsidiary and the issue selling between the same subsidiary and its HQ would be an interesting extension of our research. Finally, our main recommendation for future research is to include the manager’s perspective of the issue selling, in order to gain the “buyers” view. This could help understanding the issue selling process further since it would provide a perspective of the receiving of issue selling.
7. References


### 7.1 Online reference list

