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Hegemony and its discontents: a critical analysis of organizational knowledge transfer

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Abstract

Purpose – In this paper, we discuss the phenomenon of knowledge transfer within multinational corporations (MNCs), and how the imperatives of thought and action that constitute new knowledge are received in the terrain that constitutes the MNC subsidiary.

Design/Methodology/Approach – This study employs an ethnographic approach, and juxtaposes primary data collection with a variety of secondary data sources.

Findings – We analyze our data in light of the theoretical construct of hegemony, and theorize three themes that underlie the process of knowledge transfer. These include knowledge loss at the local level, the coercive practices that ensure knowledge transfer, and the invocation of imperial subjectivities by the headquarters of the MNC when dealing with subsidiaries from poorer nations.

Originality/value – This study goes beyond the mainstream approaches into organizational knowledge transfer, by analyzing these issues in light of political economy, and the changing landscape of industrial accumulation. It offers in some measure, the building blocks of a different organizational theory, one that is sensitive to those subjects who are consigned to the periphery of mainstream organizing.

Keywords - multinational corporations, knowledge, hegemony, ideology

Paper type - Empirical

We do not govern Egypt, we only govern the governors of Egypt

Lord Cromer, British Imperial Proconsul, 1885

If you took a taxi from Mumbai airport, and traveled due east through some of the most congested traffic in the world for around two hours, you would reach the suburb of Malegaon. Malegaon, which used to be a village of dairy farmers, has now been claimed by the ever-sweeping sprawl of Mumbai, and is now serviced by a two-lane “highway.” This highway is lined with several workshops, where under leaky roofs and oppressively hot interiors, resides a community of some of the most skilled machinists in India. Give them a machine part, and they will replicate it to sub-millimetric precision. Give them a machine that manufactures 350 units a minute, and they will figure out a way to upgrade its output to 600 units a minute.

Travel past the makeshift tea stalls, across the perennial puddle in a pothole on the highway, and you will enter one of the bigger workshops, which a modest, rusty sign identifies as “Bhavnani and Sons.” Once inside, pass a dimly lit corridor, lined by rooms where the din of metal on metal drowns out any possible conversation. Deep within the building is the “office,” a single wooden cubicle, with barely enough room for a desk and four chairs. Stuck on the wall behind the desk, amidst old calendars, pictures of Hindu gods and a wall-clock, is a laminated piece of paper. The paper reads... “Our mission is to provide the highest quality and most innovative technological solutions to support our customers’ business objectives. Powered by a diverse team of multi-talented people and technology, we strive to be a customer-driven, results oriented team.” We are looking at the mission statement of Chloronⁱ; a multi-billion dollar US based Multinational Corporation (MNC).

How does an artifact such as a mission statement physically travel across geographic and organizational barriers, and how does it attain legitimacy across dispersed spaces and among diverse groups? What are the processes by which globally scattered organizational beings and extra-organizational subjects such as Bhavnani & Sons “learn” to venerate and display this artifact? In this paper, we address these questions through a critical analysis of organizational approaches to “knowledge transfer” and by reporting the results of an ethnographic study of the practices of knowledge transfer in an MNC. We argue that representations of knowledge transfer in organizational studies fail to record the manner in which this process is implicated in the historical experiences of power differences and economic imbalances that undergird the international encounter. Despite the explosion of research in the field of knowledge management

over the last decade, relatively little attention has been paid to the dynamics of power that shape the management of knowledge (Gordon & Grant, 2005). Our paper is an attempt to fill this gap.

The rest of this paper is organized in four sections. In the first, we critically review representations of knowledge transfer and organization change in management research. We then present our empirical research, including methodology and theoretical framework. In the third section, we discuss three themes arising from our empirical research, which highlight the disjuncture between mainstream theoretical descriptions of knowledge transfer and the empirical realities of corporate experience. In the final section, we use the twin themes of hegemony and postcolonial theory to arrive at a different approach to intra-organizational knowledge transfer.

Knowledge and organizational research: a critical assessment

The construct of “knowledge transfer” continues to attract the curiosity of organizational researchers (Inkpen & Pien, 2006). Whether addressing it the challenge of transferring knowledge without compromising its ability to generate value for the firm (Coff, Coff & Eastvold, 2006), or engaging in taxonomic analyses of the construct of knowledge for the purposes of clarifying transfer-related issues (Lindkvist, 2005), theorists continue to grapple with the problem of having no clear understanding of how knowledge successfully negotiates the boundaries of spatiality. One of the biggest challenges for these theorists has been to offer an acceptable yet comprehensive definition of the term *knowledge*. Knowledge has been variously defined as “information whose validity has been established through tests of proof” (Liebeskind, 1996: 94), as “justified true belief” (Nonaka, 1994: 15), and in several other broad ways. In one of the more comprehensive definitions, Davenport & Prusak (1998: 5) define it thus:

Knowledge is a fluid mixture of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information. It originates and is applied in the minds of knowers. In organizations, it often becomes imbedded not only in documents or repositories but also in organizational routines, processes, practices, and norms.

From this definition, a number of issues are immediately discernible. First, knowledge has a dynamic, fluid character. Organizational knowledge is seen as advocating certain styles of

learning for the organizational subject, which are different from the traditional learning mechanisms that are associated with less complex tasks. This distinction is analogous to the difference between “know-that” and “know-how” (Ryle, 1949). Knowing how to do something is not the same as knowing something. Ryle gives the example of chess: knowing the rules of chess does not tell one how to play chess. The individual learns how to play by practice. However, know-how and know-that are not discrete forms of knowledge but are interdependent where know-how is “the particular ability to put know-what into practice” (Brown & Duguid, 1998). In the context of knowledge flow or knowledge transfer, know-how becomes more important than know-that.

Second, it is also evident from the definition that knowledge is produced in individual minds. Consequently, much of the challenge of knowledge management has been to create processes whereby this individual knowledge is transformed into social knowledge (or appropriate corporate knowledge). The discourse of knowledge creation is often framed in terms of “value,” or its ability to deliver rent for the organization. How individuals gain knowledge also reflects the social and cultural context of the learning process. It confers organizational identity upon workers, and is the basis for an organizational culture and tradition. But it is important to realize that a common organizational culture is by no means homogenous – a CEO of a multinational corporation may have less in common with a clerical assistant in the same company as compared to what both organizational members have in common with peers in other firms. Apart from organizational cultural forces there are external forces and social networks that influence identity formation and in the process “resisting and refracting for each individual the pressures towards uniformity coming from the organization as a cultural force” (Brown & Duguid, 2001: 201).

Third, knowledge can provide value only if it is communicable across the organization. This communicability across geographic boundaries is predicated upon its codifiability, and its routinization, or at least an understanding of which elements can be codified and routinized and which of them cannot. It has been argued that firms exist primarily because they are able to transfer knowledge within their boundaries (Kogut & Zander, 1996). However, there is not much research that explores the complexities of knowledge transfer, especially the “dispersedness” or distributed nature of knowledge (Becker, 2001). The dispersedness of knowledge is identified as a significant economic problem because the division of labor is normally accompanied by a corresponding

division of knowledge (Hayek, 1945; Tsoukas, 1996). One consequence of this is acknowledging the limits to the centralization of knowledge; it is simply not possible to collect all dispersed knowledge and manage it to achieve some organizational goal (Hayek, 1988). Applied to MNCs, the process of knowledge transfer across geo-political boundaries becomes even more complex. Our attempt in this paper is to problematize conventional theories of knowledge by drawing attention to the power-laden and coercive character of knowledge transfer within an MNC.

“Communities of practice”

In an attempt to provide an integrative perspective of knowledge, Brown and Duguid (2001) suggest that “communities of practice” represent more appropriate units of analysis to understand knowledge in an organization, with a stronger focus on the implications of practice. The rationale for a focus on practice is its ability to highlight “epistemic differences” between communities of practice while overcoming the limitation of conventional theories of knowledge that tend to privilege knowledge industries and knowledge workers. Understanding that knowledge management practices are socially and culturally embedded might provide a richer picture of the knowledge management process than a functionalist explanation of the inherent properties of knowledge (Weick & Westley, 1996). Focusing on practice also highlights how external cultural forces operate in the interaction between an individual and the organization. As Brown and Duguid (2001) point out, cultural forces that influence practice are not necessarily determined by organizational leaders or members but arise through the engagement of an individual with his or her work practice in the organization. Knowledge and identity in a practice focused analysis “reflect the organization’s de facto division of labor more than its espoused autonomous interests (and self-interest) of its members” (Brown & Duguid, 2001: 202).

However, the term “communities of practice,” despite its normatively desirable connotation, can often be coercive, political and exploitative. As Contu and Willmott (2003) point out, even cultural accounts of organizational learning that depart from cognitive theories of knowledge and focus instead on communities of practice do not explicitly acknowledge relations of power that operate in these communities. Conflicting values and ideologies are elided or represented as “pathological” as are historical and social power relations that constitute these communities.

Organizational change

Another perspective that dominates theoretical analyses of knowledge transfer is based on the construct of “change.” According to Gordon and Grant (2005), discourses of information technology and knowledge management have been influential in “shaping the direction of contemporary organizational change.” Intra-organizational knowledge transfer between a multinational corporation and its subsidiaries results in changes in organizational processes in both entities, but perhaps more significantly in subsidiary firms. Knowledge transfer can thus be theorized as an example of organization change. Traditional approaches to organization change have viewed the change processes from the perspective of organizational stability rather than change as an ongoing process (Tsoukas & Chia, 2002). Change is seen as a top down, episodic process with a majority of the research providing accounts of change as a *fait accompli*, developing approaches and typologies of change, and discussing its antecedents and consequences (Porras & Silvers, 1991; Tsoukas & Chia, 2002; Weick & Quinn, 1999; Van de Ven & Poole 1995). Alternate views of organizational change attempt to shift the focus from the organization as a unit, change as an intervention and senior management as change agents to a more dynamic approach that focuses on “changing” (as opposed to change) “grounded in the ongoing practices of organizational actors” with the “everyday contingencies, breakdowns, exceptions, opportunities, and unintended consequences that they encounter” (Orlikowski, 1996: 65). “Change” rather than “organization” becomes the ontological focus of this perspective.

Some researchers are critical at this reversal of the ontological condition and argue that discourses of organizational change management not only tend to endorse “change as an abstract ideal but are also highly restrictive about what sorts of change should be pursued” (Sturdy & Grey, 2003: 652). Sturdy & Grey (2003) point out that much of the literature on organizational change exhibits a “pro-change” bias that assumes that all transformations are desirable and can and should be managed, an assumption whose logical outcome is that any resistance to change is deemed “irrational.” They also critique contemporary discourses of organizational change as being rooted in managerial ideology (which is hardly a surprise) but more problematically as being a universalizing discourse that pays little attention to the broader social, political, economic and cultural arena in which change occurs. A critical approach to studying organizational change would focus on the discursive nature of change processes where language, ideas, texts and practices in organizations are all part of the “hegemonic struggles over meaning” (Study & Grey, 2003: 659). In our empirical study we will try to show how structural and

discursive struggles play out in the knowledge transfer process between a multinational and its subsidiary. Rather than focus on analyzing discourses as textual or linguistic schemes that organizational actors use to make sense of change, we want to examine the conditions where discourse becomes hegemonic.

Power and hegemony

It is the hegemonic characteristic of some change processes that is of particular interest to us in the context of knowledge transfer between a multinational and its subsidiaries. Our empirical investigation of the knowledge transfer process is informed by Gramsci's notion of hegemony. For Gramsci (1971), hegemony is a process that sustains the privileged status of dominant groups. Domination occurs through institutional structures, coercion, persuasion, manufacturing consent and reliance on coalitions. The power to dominate takes different forms: institutional power and authority of states and multistate institutions, material power resulting from economic dominance, and the promotion of an ideological "common sense" that privileges the dominant order (Williams, 1976). Establishing hegemony requires an alignment of institutional, economic and organizational forces whose outcome is the universalization of the interests of dominant groups (Levy & Sculley, 2006).

Conceptualizing power solely in instrumental terms, for example by coercion and authoritarian structures, has been critiqued as being too focused on behavioral processes that do not make visible systemic processes of power (Lukes, 2005). Lukes attempts to broaden the focus of power in his concept of the "third dimension of power," which he defines as a "capacity to secure compliance to domination through the shaping of beliefs and desires by imposing internal constraints under historically changing circumstances" (Lukes, 2005: 144). Consent is secured through the imposition of a dominant ideology. However, the notion of "willing subjects" is problematic because it disallows agency to dominated groups while ceding control to powerful elites. In this concept of power-as-entity there are elements of normative idealism, whether the ideal is rationality, truth, justice or democracy (Gordon & Grant, 2005). It also assumes that dominated groups are either unaware that their "real interests" are not being served or consent to domination strategically for reasons of survival.

The problem with this kind of normative idealism is that it assumes that notions of rationality exist independently – as Flyvbjerg (1998: 227) argues rationality is "penetrated by

power and it becomes meaningless or misleading – for politicians, administrators and researchers alike, to operate with a concept of rationality in which power is absent. Power determines what counts as knowledge, what kind of interpretation attains authority as the dominant interpretation.” For Flyvbjerg, rationalities are contingent, plural, discursive and outcomes of power relations. In a particular context of power relations between social actors, people present their interests as being “rational” for the “community” or the “organization” while eliding the power relations that produced that particular rationality. Thus, in organizations the “effects of power (the production of truth and knowledge) depend upon the relationship between the practical consciousness of people and the discursive consciousness that various discourses proffer” (Gordon & Grant, 2005: 9). Some interesting questions arise from this concept of rationality: what is the rationalization process when a new knowledge management system is introduced in an organization? What are the rationalization strategies that support or oppose the changes? How do they influence agency and power structures? How do they reinforce or weaken “existing regimes of domination” (Gordon & Grant, 2005)? These are some of the themes we explore in our empirical analysis of knowledge transfer between a MC and its subsidiary.

We argue that in the context of power and hegemony there are certain linkages between the global political economy at the macro level and the development of knowledge-based theories at the organizational level. As Thompson et al. (2001: 928) point out; theories of knowledge management involve codifying and abstracting knowledge from workers thus enabling a rationalization of work that “functions as a source of legitimacy and power for managers.” There are several elements of the power relationships between nation states that underlie this knowledge flow. The acceleration of knowledge transfer across national boundaries is directly related to the exercise of power on “recipient” nation states by those countries whose corporations constitute the sourcing of foreign direct investment (Keren & Ofer, 2002), and are mediated through international regimes such as the WTO (Mir, 2001). However theories of knowledge transfer within organizations rarely acknowledge these macro economic and political factors. We will theoretically revisit the concept of hegemony in our discussion section.

In the next section, we present our research study, which sought to examine the actual transfer of knowledge across national boundaries within an MNC.

Empirical explorations

Our fundamental research question is: *How is knowledge transferred across international boundaries within a multinational corporation?* Given that this question related to the study of organizational *processes*, we chose a research design that was field-based (van Maanen, 1981). Also, given the international dimension (and the inductive character) of our research questions, we felt it would be empirically appropriate to locate the research within a single MNC, where we would be granted access not only to the corporate headquarters, but also to a specific national subsidiary. Our research plan involved a longitudinal element, in that we wanted to follow a set of organizational processes at various stages of organizational life (Van de Ven & Poole, 2002). We decided to use ethnographic techniques to achieve this objective. The lead author spent a total of 12 months at the foreign subsidiaries of two large US-based MNCs (results from one corporation are reported in this paper). We supplemented the primary data that was collected with a variety of other forms of primary and secondary data, and analyzed them using conceptually ordered displays and thematic pooling. In the rest of this section we discuss our choice of ethnography as a research method, the organization where research was conducted, and our techniques of data collection and analysis.

The Ethnographic Method

Of the various qualitative research methods employed by social scientists, ethnography has developed perhaps the greatest legitimacy (Denzin & Lincoln, 2005). Given the rigorous demands made on the researcher by the ethnographic process and the interesting and influential stories that have been woven over the last century by ethnographers, it has not only become “the trademark of cultural anthropology” (Schwartzman, 1993:1), but has also informed a variety of social sciences, including organizational studies. Gideon Kunda’s study (1992) of high tech firms and Steven Barley’s (1996) analysis of the work of technicians and technology stand out among several ethnographic studies in management. As Prasad (2005: 78-83) elaborates, the great advantage of ethnographic research comes from three sources, namely the ability to illuminate a setting in its *cultural and historical context* (Bate, 1997); the power to provide a *thick description* of events (Geertz, 2000) and the *narrative dimension* that allows us to string different events into coherent thematics (Rosen, 1991).

There is another, more compelling reason which guided our choice of ethnography as a research method, which related to the power of this methodology to illuminate phenomena that dominant discourses consign to the periphery. In effect, ethnography allowed us to document the subtler responses to the imposition of hegemony by dominant groups by a variety of subjects. In effect, the aim of our research was not to provide an authoritative narrative account of the goings on at the site of our study. Rather, it was to provide an *alternative* narrative of the same phenomena that had been studied by mainstream organizational theorists. As the historian Sudipta Kaviraj (1992: 38) remarked with respect to subaltern historiography, “the interstices of every narrative are filled with semblances rather than truth. Thus, the telling of true stories in history would not rule out the telling of other stories different from the first, which are also true.” Our research then, provides an account that is as authoritative as the mainstream accounts of knowledge transfer in MNCs. Indeed, to the extent that the mainstream stories purport to be an account of the “reality” of knowledge transfer, we believe that our research provides an important counter-narrative. Alternative stories are a way of restoring the balance, and remaining true to what Gadamer (1975: 267-74) has referred to as “the principle of effective history.”

Research location

In line with our research needs, we were able to gain access to a large, US-based MNC, which we have nicknamed Chloron Corporation. Chloron is a world leader in the chemical industry, with operations in several different countries. We were offered access to its subsidiary in India, which had been in operation for over 50 years, and employed over 1000 full-time personnel.

Chloron-India was now a fully owned subsidiary of the parent corporation; a relatively recent development. A discussion of the context in which it became a fully owned subsidiary is important. Given the prevailing political and legal conditions in India in the past, only 39% of Chloron-India had been owned by the parent organization till 1995, and it operated as a “stand-alone” business until 1995. This was primarily because India’s Foreign Exchange Regulations Act (FERA) had stipulated various constraints on the investment of foreign exchange in the country; one of which had been that no foreign entity could hold more than 40% stake in its Indian subsidiary. The rest of the equity had to be drawn from local investors. As a consequence, Chloron had relied on a variety of Indian entrepreneurs to provide the other 60%.

Thus, the transformation of Chloron-India from a stand-alone corporation to a subsidiary was itself an artifact of globalization.

Beginning in 1991, the Indian government began an extensive project of liberalization, which, among other things, led to the relaxation of FERA (Chandrasekhar & Ghosh, 2002), making it possible for corporations like Chloron to increase their stake in their Indian operations. By 1995, Chloron had bought up all the available equity in its Indian operations, turning Chloron into wholly owned subsidiary. The corporation then began an extensive reorganization process, where the financial data reporting, market intelligence, accounting systems, and other reporting patterns of the subsidiary were restructured to mirror the corporate structure. Our research at Chloron-India coincided with a transition period, where the globalization of the subsidiary was underway, but incomplete.

Chloron-India had annual revenues of around \$50m, which was very small by the standards of its other national subsidiaries, but was growing at a rate of around 25% per annum, which was high by Chloron's global standards. It employed around 1000 fulltime workers at its plants, offices and the sales force, with a well developed manufacturing and distribution infrastructure, as well as a network of outsourced manufacturing and sales contractors.

Data collection and analysis

We collected data from a variety of primary and secondary sources. Primary data collection included participant observation and interviews. Secondary sources included confidential corporate correspondence, firewall-protected intranet sites and other proprietary sources within the corporation (the entire data in this study has been re-checked to eliminate any possible breach of confidentiality). This data was also supplemented by publicly available information such as corporate annual reports, macro economic data and industry analysis reports.

Participant observation was conducted over three stints, which lasted a total of 12 months, spread over 3 years. These included attending a variety of meetings, from routine planning meetings to strategy sessions; visits to manufacturing sites, distributors and accompanying sales personnel on calls; time spent at contractor premises; and extensive interactions with the MIS and IT departments. Interviews were conducted with a variety of actors such as the head of the subsidiary, visiting executives from the US-based headquarters,

middle and lower managers, non-managerial staff such as technicians and sales people, contract workers and external informants such as economists and trade union activists.

Data analysis involved an extensive regimen of transcription, coding, and the use of concept cards (Martin & Turner, 1986) and conceptually ordered displays (Miles & Huberman, 1994: 127). Data were coded and logged according to thematic consistency (Madison, 2005: 36-39). The various themes were placed in a framework, which can be seen in Figure 1.

Insert Figure 1 about here.

As Figure 1 shows, knowledge transfer can be studied at multiple levels, including the nation of the subsidiary, the nation of the headquarters, the headquarters of a multinational corporation, the subsidiary of a corporation, and the international regimes (such the World Trade Organization) all of whom interact in the process of knowledge transfer. The headquarters of the organization is primarily concerned with issues of the protection of intellectual property rights as well as maximizing revenue appropriation, while the subsidiary is interested in being integrated in the global space in such a manner that its voice is dialogically heard, and its independence is not compromised. The country that exists at the subaltern level of this transaction is focused on the maintenance of its national identity and sovereignty, but at the same time, is eager to get the benefits of global investment. The country of the corporation's headquarters is also concerned with developing favorable trade terms, and has the task of balancing the potential opportunities afforded by internationalization against attendant economic and political risks. Finally, international regimes deal with transnational concerns such as the securing of intellectual property rights, solving multilevel disputes, and the management of tax and tariffs. For example, the WTO is focused on developing platforms for multilateral discussions between corporations and countries, on issues as wide ranging as patent protection, tariff reduction and currency convertibility. In the space characterized by episodes of organizational knowledge transfer, international regimes often function more as agents of the dispersed corporation. Each entity approaches the issue of knowledge transfer with different areas of focus, but the challenge for the theorist is to develop a framework that uses the knowledge transfer transaction as a unit of analysis, but is still sensitive to the enactment of all the compulsions and focus areas.

Enterprise requirement planning: a story of knowledge transfer

It is extremely frustrating. Here is a perfectly serviceable UNIX system, which we have to dismantle and install this @\$%X AS400 system. I could accept it if we were going to put in a much better system, like SAP or PeopleSoft's ERP. But now, in this day and age, we have to learn to use mainframes, when Springfieldⁱⁱ itself has declared that it will phase out the AS400 by 2003. Our UNIX system is similar in architecture to the new system they have planned for the organization. So we are working to put ourselves back from 2000 to 1985! By the time we learn AS400 operations; we would have lost all our knowledge of distributed computing, and will have to go back with a begging bowl to Springfield, asking them to train us in networking and ERP.*

Vijay Tendulkar, GM, Information Technology, Chloron-India

In this paper, we have chosen to analyze a specific episode of knowledge transfer from the US headquarters of Chloron to Chloron-India, which was located in the IT department. It involves the installation of an Enterprise Requirement Planning (ERP) system at the Indian subsidiary, which was driven by the headquarters.

First, the story in brief: For a variety of political and contextual reasonsⁱⁱⁱ, Chloron-India had not been able to install Chloron's corporate ERP system in the 1980s. Deprived of this knowledge, the subsidiary had developed an innovative system based on locally available hardware and software, which performed the ERP job adequately, and produced information in a format that was compatible with the requirements of the headquarters. Now that the political constraints on hardware import had been lifted, Chloron-India was facing pressure from the headquarters to change over to the centralized ERP system, at great capital and learning cost.

The frustration embodied in the quote by Vijay Tendulkar, the local IT chief, arose from one important factor: the ERP system that Chloron-India was expected to install had itself had been declared obsolete by the headquarters a year ago. Now that the IT community was migrating from mainframe-based systems to distributed, networked and server-based systems, Chloron had embarked upon an ambitious program in the US to overhaul its corporate ERP system to a distributed system, albeit in a phased manner.

The new system proposed by headquarters for eventual global adoption ironically possessed many characteristics that were similar to the ones possessed by the *current* system at Chloron-India. The Indian system was not dependent on big computers, but a network of smaller computers, using distributed data processing protocols. The local innovations that had been made by the Indian subsidiary actually were much more compatible with the corporate system of the future, but totally at odds with the corporate system of the present. However, the corporate IT team felt that it would be too long a wait if they let Chloron-India change over directly from its current system to the proposed future system, a process that could take three years. In the interim, they decided that Chloron-India should change to the mainframe-based system right away. In effect, the headquarters decision to change the ERP system was pushing Chloron-India from the future into the past!

Tendulkar was particularly bitter because he felt that there were no institutional avenues by which he would be able to represent this information to the headquarters. For one, as a “promotee-manager,” with a less-than-stellar educational background and a shaky command over English, he had been excluded from many of the interactions that Chloron-India’s top managers had with visitors from the headquarters. For another, his boss Pinchoo Kapoor, the CEO of Chloron-India, was known to be more of a “headquarters-man” than a champion of local initiative, having been transferred recently to Chloron-India from an overseas assignment as an explicit “agent of globalization,” presumably to counter the relatively intransigent stands taken against the headquarters by his predecessor. According to Tendulkar, Kapoor could scarcely position himself as an objector to the process: “he makes constant speeches about how we should not be ‘resistant to change.’ He has been reprimanding people who do not keep the mission statement framed on their office walls. He is not going to go to Springfield (Chloron’s headquarters) and say that we will not follow their orders.”

Ultimately, as researchers, we were able to document the manner in which the new/older ERP system was installed in Chloron-India. Tendulkar was given the unenviable job of seeing this operation through, while simultaneously, S. Padmanabhan, a young MBA from an elite business school was appointed to an Asia-Pacific team that was drawing up a blueprint for the migration of Chloron’s ERP systems to the distributed model by 2004. It was a matter of common knowledge in the corporation that Padmanabhan was being groomed to succeed Tendulkar as the head of IT at Chloron-India. For purposes of narrative parsimony, we have

chosen to present the events surrounding the ERP system installation in the form of a Tendulkar-Padmanabhan binary, lest the main ideas of the paper be lost in the thickness of ethnographic description. However, this mode of representation should not be taken to assume that either Tendulkar or Padmanabhan were the sole champions of their perspective. There were several other players in the process, whose views mirrored either that of Padmanabhan or Tendulkar (or other players such as Kapoor). Nor is the specific event of our story, that of ERP system installation, the sole site of contestation around issues of knowledge transfer. There were several areas of contestation between Chloron and Chloron-India where similar knowledge-transfer dynamics were visible.

Of the many instances of knowledge transfer that we observed at Chloron-India, we have chosen to foreground the above incident because it fleshes out the manner in which the process of communication between the headquarters and the subsidiary is inflected with authority rather than persuasion, of a univocal rather than a dialogical process, and of an absolutist rather than a context-sensitive representation of organizational reality. We found Tendulkar to be almost like the figure of Oedipus in the Greek tragedy, whose will was completely subordinate to the determinism of circumstances, and who was doomed to participate in his own impending annihilation. Padmanabhan, on the other hand, found the position assumed by the Chloron headquarters acceptable, despite its authoritarian streak. He found it convenient and expedient to accept their line lock stock and barrel, because it suited his personal interests, and because in his worldview, he was more predisposed to see a global logic to it. In these personalities and their approaches, the entire power dynamics within the organization can be made visible. This approach follows the ethnographic analysis made famous by Clifford Geertz, who analyzed how we can understand a number of things about Balinese culture as a whole from representing a single event: in his case a cockfight. For Geertz, the cockfight was not just about the staging of an event, but a comment on the hierarchical ordering of Balinese society and how it is enveloped in various webs of significance (Geertz, 1973). Likewise, the contest over an ERP system is itself a contest about power, representation and dominance.

Three themes: an analysis of knowledge transfer at Chloron

Based on an extensive analysis of the situation, we found that the narratives of Tendulkar and Padmanabhan, while analyzing the same event, were “Rashomon-like^{iv}” in their

incommensurability. For instance, Tendulkar recounted the moment when the idea was first proposed to him by Pinchoo Kapoor, the head of Chloron-India. He maintains that when he declared the idea to be incompatible with the strategic goals of Chloron-India:

...Mr. Kapoor began to get angry with me. "The problem with you, Tendulkar, is that you are afraid of change. But I am not. Let me tell you that this is not (the old CEO's) time. You cannot begin every conversation with a 'no' and get away with it! If we are to grow in today's environment, we will have to learn to look at markets in terms of regions, and not nations. We are not an Indian company; we are the Asia-Pacific subsidiary of a global company."

In effect, globalization was being invoked by Kapoor to steer Tendulkar toward a decision that was not in local (subsidiary) interests. Padmanabhan had a similar analysis of the situation as Tendulkar, but projected a different perspective, which was a function of his own ability to acquiesce to a global demand, and also of his personality one who had an understanding of the deterministic nature of a decision made by the headquarters:

I can say definitely that if I had been the decision-maker, I would never have purchased the AS400s (The IT system under dispute). Between you and me, if I had been put on the AS400 team, I would be getting ready to post my biodata (mail my resume) to recruiters right now. If Tendulkar had been given a free hand, we would have continued working with the existing older computers and then gone directly to networked 256-bit Pentium machines running SAP. In a way he would be right. But unfortunately, because of the need for global standardization we had to go in for these AS400s, and we are not very good at using their system. New training, new hassles, it is all very dirty work. I am very happy that I was not sidelined into that project. Some of my colleagues now have to spend a lot of time getting trained on IBM AS400 machines. I think it is a very big waste of time. And if I was in their place, I would have really resigned and gone to another company. But I am doing very high-quality work here and it is very sad to see that the work they are doing will not really be of that much use in 5 to 6 years. But really, one must be practical. What is the point of fighting when corporate people like Mr. Clemente (the corporate IT head), our big boss Mr. Kapoor and the Asia-Pacific team, have all made a decision? It shows that Tendulkar does not understand human relations. He is too

much of a technical man. He should have had an MBA like me, and he would have a better understanding of corporate culture.

Eventually, Chloron-India implemented the system of the headquarters' choice. Tendulkar was forced to dismantle his futuristic IT set-up, and go with the mainframes. Ironically, when Chloron put together a global team to evaluate the efficacy of a new ERP system for the future, Padmanabhan was made part of this highly visible team. This was as much a recognition of his ability to deal with distributed computing as it was a reward for his political role in facilitating the transfer of mainframe technology to India, or rather, his role in neutralizing Tendulkar's objections. In his own candid words:

The funny thing is, I think I was put on the SAP team after I had supported the AS400 project! When Mr. Kapoor made it clear to me that we were going to go ahead with the project, and that he had agreed to Mr. Clemente's suggestions, I decided to support it. No point in fighting losing battles like Tendulkar.

Based on our analysis of this episode, we have identified three themes that we believe need to be brought to the attention of those organizational theorists who analyze intra-organizational knowledge transfer, but pay lesser attention to its power-laden dimensions. The entire process of knowledge transfer at Chloron is of course driven by macro-economic changes. The intensification of Chloron's interest in its subsidiary, the changed ownership structure, and the facilitation of the integration of ERP systems through the re-entry of IBM (and the AS 400) into India are all artifacts of the triumph of globalization and neoliberal political reform in India (Chandrasekhar & Ghosh, 2002), which has radically different effects on the careers of Tendulkar and Padmanabhan.

Theme 1: Filling tea into a full cup: uneven knowledge flows and knowledge loss

Empirical research on knowledge transfer has tended to follow one of two assumptions. Either knowledge is perceived as flowing into a vacuum (Wheelwright & Clark, 1995), or it is depicted that knowledge flows play the role of agents of creative destruction, destroying old knowledge and replacing it with new (Dewar & Dutton, 1986; Tushman & Anderson, 1986). However, the reality is more complex here. The system developed at Chloron-India is quite a sophisticated,

working system. In effect, by transferring knowledge into Chloron-India, the US headquarters is attempting to “pour tea into a full cup,” to quote a Sufi proverb. The interesting question is, what needs to be emptied for the tea to be placed in the cup? How can we account for the knowledge that Chloron-India will lose from this knowledge-transfer transaction?

Tendulkar’s objection to the new system was based on technological grounds:

Our UNIX-based system may not be state-of-the art, but it is actually much better than Springfield’s system, and actually more suitable for future upgrades. The whole world is now going in for networking and there is no need to go back in time and get ourselves a mainframe-based data processing system.

Moreover, it was better suited to the Indian terrain, since it bypassed much of India’s unreliable telecommunications infrastructure, and had backup options where stored data could be sent across nodes using couriers and CDs in case of sustained telecommunications failure. The new system presupposed uniform connectivity, and would be more vulnerable to such breakdowns. The new system also had the effect of pushing Chloron-India to the back of the line in terms of those subsidiaries that would have access to the latest system. The reasoning at the headquarters was, “let us get some work out of these AS 400 systems before we replace them.” Unfortunately, the manufacture of AS400 systems had been discontinued by IBM (Chloron-India received its stock from inventory), and were a low priority for IBM’s maintenance division as well. Over time, many of the personnel who had expertise in UNIX systems quit Chloron India. As Tendulkar said:

What pains me is that we will soon be in the same boat that we were in the early 1980s (when Chloron-India had to move from mainframes to distributed systems). The only difference will be that while at that time there was a ‘UNIX culture’ in the IT department. By now, that competency has been eroded. In another year, it will be completely lost. Several old-timers have left, and the new people have worked only on an AS400 platform since their arrival here. We are becoming more and more backward. Linux and Windows XP have become the operating systems of choice all across corporate, but we still struggle with the AS400. I sometimes find it amusing. Mr. Kapoor had been glad to pay the

consultants who designed the project \$1,000 dollars a day to put this system into place. What he did not realize was that we are still paying for it.

“Knowledge flow” has been the term of choice used in strategy research to refer to various complex transfers of expertise in MNCs (Appleyard, 1996), but we find this to be a troubling legacy. The term “flow” connotes the existence of a gradient, a movement that is natural, and involving a substance that is fluid. The Merriam Webster’s Dictionary^v uses multiple terms to describe flow, such as “to move,” “to proceed smoothly and readily,” “to have a smooth continuity or “to derive from a source.” Such descriptions exude a sense of desirability and inevitability that scarcely captures the complex, often coercive manner in which subsidiaries of MNCs are “modified” according to the exigencies determined by the headquarters. Research on the roles of MNC subsidiaries rarely examines power dynamics that underlie MNC-subsidiary relationships. Instead, the focus is on classifying types of subsidiaries based on those that “exploit existing MNC knowledge” and those that “augment existing MNC knowledge” (Almeida & Phene, 2004). Our analysis of knowledge transfer at Chloron did not reveal these clear distinctions – instead what we found was fragmentation, contestations, coercions, manufactured consent, loss of knowledge, and the stifling of local innovation.

Theme 2: Knowledge transfer and coercion

Global change does not require so much a transfer of knowledge from one part of the globe to the other as it does the investment in different types of global dialogues that can create new knowledge contextualized in multiple sites. This requires investments in dialogues that can initiate localized creativity and imagination and foster newer meanings and texts.

Bouwen and Steyaert (1999:304-5)

The story of the “upgrade” of Chloron-India from UNIX to AS400 offers us some important pointers. On one hand, we have the forces of globalization represented by the US headquarters of Chloron, its Singapore unit (which headed the Asia Pacific division and provided much of the logistical support for the AS 400 conversion), and partially, Pinchoo Kapoor and Padmanabhan, who force their logic on Tendulkar and his team. The absence of the dialogic process in this particular case is important. The executive team at India is used to apply pressure

on Tendulkar. Kapoor's angry outburst about Tendulkar needing to go beyond "narrow" frames of reference, and subsequent attempts to corral opposition to the SAP project offer evidence of this coercion.

Eventually, Tendulkar suffered sanctions as a consequence of his resistance. Interestingly, while he was not fired, his punishment was very ironic and Sisyphean. He was forced to oversee the diminishment of his importance by giving him charge of the very process that he had opposed. While at times, Tendulkar's position seemed to find technological justification at the level of the headquarters, the political process won over the logic of technological rationality. We can only speculate about Tendulkar's assertion that the entire project was a case of escalated commitment based on an initial misreading of the complexity of Chloron-India's indigenous system by the headquarters, but it does seem quite clear that the process ran roughshod over local objections. While this could be seen as an example of authoritative power we believe the reality is more complex. Local objections were overcome by creating compliance with key actors in the subsidiary. While the process of creating compliance included elements of Lukes' third dimension of power where beliefs are shaped through the "imposition of internal constraints under historically changing circumstances," we believe the discursive power of "historically changing circumstances" produced certain material effects that are not taken into account by current theories about power and knowledge transfer.

This theme can also be seen as a clear challenge to the benign representations of "communities of practice" that populate the literature on organizational learning and knowledge management. While Chloron-India's IT advisory team, dispersed between Mumbai, Singapore and Springfield, can be seen as a "community," the contestations within this communal space are not solved by dialogue, but eventually by fiat and order. In traditionalist representations of such communities, Tendulkar comes across as a recalcitrant resistor, who is eventually won over by the community (after all, he eventually participated in the IT changeover). However, the reality is that Tendulkar's opinion had no currency in the organizational schema to start with. It is this pre-ordained fate of his perspective that ultimately challenges the representation of organizational spaces as communities of practice, and refocuses attention on the dynamics of coercive practices.

Theme 3: (Post)colonial subjectivities

If we are to grow in today's environment, we will have to learn to look at markets in terms of regions, and not nations. We are not an Indian company; we are the Asia-Pacific subsidiary of a global company.

Pinchoo Kapoor

We worked hard on the project. It is still a bit shaky, but in the beginning, it was worse. I remember how we used to work day and night. Even now, you were yourself here, and saw how all of us came even on Deepavali^{vi}. I had asked Mr. Clemente if I could give my staff the day off on Deepavali. It is after all, a national holiday here, and everybody has religious functions at home. But he said, "Our deadline here will be affected if you do not meet yours." So we all came. Of course, when they have their (Thanksgiving) holidays, we are automatically shut down. We give thanks when corporate is thankful. Otherwise, our Deepavali remains thankless.

Om Shivpuri (Tendulkar's Deputy)

The above two statements foreground an important schism within Chloron-India. Pinchoo Kapoor, the CEO of Chloron-India, is exhibiting a sophisticated familiarity with the reality of globalization, while Om Shivpuri is bitterly opposing a work schedule that keeps him in office in early November on Deepavali (India's equivalent of Christmas), while offering him a holiday in late November because the headquarters is closed for Thanksgiving.

Kapoor was indeed an urbane man. Educated in the prestigious Indian Institute of Management at Calcutta, he had spent two decades in the management cadre of Chloron. He had been rotated across several management functions and geographies, and his last stint was as the head of consumer marketing in Malaysia. He was an authority on teak furniture, and could speak informedly of the relative merits of French impressionist paintings and the Bengal school of paintings in India. And indeed, his statement could be incorporated seamlessly into such books on global corporations such as Kenichi Ohmae's *The Borderless World*.

The manufacture of consent in this particular knowledge transfer process was enabled by a discursive process that created specific subjectivities and spaces of common interest between actors in the headquarters and the subsidiary. We argue that colonial and development

discourses played a role in creating the conditions where consent was manufactured.

Postcolonial theorists have reflected upon the emergence of the global subject among the third-world elite. From their perspective, we could make a linkage between Kapoor and a quote made by Lord Thomas Macaulay over 200 years ago. Speaking in his capacity as the Legal Member of the Council of Indian Education in 1785, Macaulay (Macaulay, 1782, 1972: 249) stressed,

“We must at present do our best to form a class who may be interpreters between us and the millions we govern; a class of persons, Indian in blood and colour, but English in taste, in opinions, in morals, and in intellect. To that class, we may leave it to refine the vernacular dialects of the country, to enrich those dialects with terms of science borrowed from the western nomenclature, and to render them by degrees fit vehicles for conveying knowledge to the great mass of population.”

Kapoor certainly fits the bill as one of the “interpreters” in Macaulay’s schema. Likewise, Padmanabhan was rewarded for his compliance, despite his off-the-record reservations about the new system. In Padmanabhan’s analysis of the situation, we can see the empirical representation of a corporate reality that the current theories of knowledge transfer are very well suited to describe. Gupta and Govindarajan (1991) discuss how “corporate socialization of subsidiary managers” enable the alignment of subsidiary managers “values and norms” with that of the parent organization. This process was apparent in Chloron with Kapoor and Padmanabhan: we have the consultant, the international team, the perils of standardization, the limits of absorptive capacity and infrastructure, cultural exchanges and a future focus. However, it is Tendulkar’s (and Shivpuri’s) story that is ultimately banished to the shadows of theory; the exercise of power, the loss of a valuable fund of local knowledge, and a subtle process of deskilling that is not even explored by labor process theorists. Shivpuri, on the other hand, was articulating his anger with Chloron in extremely local terms. For him, the peril of Chloron was that it devalued his local identity, which was expressed in this case as a religious affiliation. Thus Chloron’s claim of being global rang hollow with him not just because he had to work on Deepavali, but also because of the Thanksgiving holiday he had to “endure.” It appears that Kapoor, the global, postnational subject and Tendulkar, the local, national subject exist in uneasy proximity in Chloron-India. Globalization within Chloron, and indeed in all MNCs, is an extremely unfinished vision.

Discussion: knowledge transfer and hegemony

In the last section we identified three themes that we contend are ill-analyzed in organization theory's exploration of knowledge transfer. How can we make comprehensive theoretical sense of knowledge-loss on the name of knowledge transfer, institutionalized coercion of headquarters by subsidiaries, the social schisms within organizations created by this process, and the reflection of macro realities within the organizational domain? As we had discussed in the pre-empirical section we believe that these themes can be put together using the theme of "hegemony" (Gramsci, 1971; Guha, 1989; Williams, 1977).

The important role played by international regimes like the WTO in re-orienting the relationship between India and the US, Chloron and Chloron-India and Chloron and Bhavnani lies in their ability to set the terms of a dialogue, to which all parties, however unwillingly become a party. Likewise, the relationship between Chloron and Chloron-India follows a familiar trajectory. Modern complex organizations like Chloron are structured into hierarchies that create dominant and subordinate groups within the organization. The function of managerial practice is to exert control over the actions of the organizational subjects through the exercise of sanctioned power and dominance. This dominance is brought to bear through a combination of coercion and persuasion. Coercion refers to those managerial techniques that rely largely upon overt supervision, surveillance, and discipline. Persuasion, on the other hand, solicits the willful participation of its subjects.

The analytical category of hegemony both includes and goes beyond the concept of ideology by pointing out that certain forms of dominance use persuasion over coercion in order to seek the active *consent* of the subordinate groups. This perspective allows us to understand that knowledge transfer can be better distinguished as a package of constitutive and constituting meanings, cultures and practices, which includes concessions by the headquarters that go beyond its own narrow and immediate interests.

The hegemonic project that undergirds knowledge transfer at Chloron does not dismantle the leadership of the dominant groups such as the managers at Springfield. However, it does manage to create a web of social relations, ideas and practices wherein some of the demands of the subsidiary (as articulated by Tendulkar's stubbornness) are met in the pursuit of a particular social order. While this order is maintained predominantly through persuasion, the headquarters

do not (and indeed, cannot) abandon their coercive apparatus. As Guha (1989) maintains, while steering us clear of this liberal-utopian conceptualization, hegemony is *a particular condition of dominance* where persuasion *momentarily* outweighs coercion. The concept of “normative control” (Kunda, 1992) also appears to operate at Chloron, albeit with differing consequences for Tendulkar and Padmanabhan. As Kunda (1992: 11) argues, normative control is an attempt to direct the required efforts of members “by controlling the underlying experience, thoughts, and feeling that guide their action. Under normative control members act in the best interest of the company not because they are physically coerced, nor purely from an instrumental concern with economic rewards and sanction.” Rather it is the particular type of subjectivities created that produce “internal commitment” and “strong identification with company goals” among employees. Both control and coordination are goals of MNCs that configure their relationship with subsidiaries. As Alvesson and Kärreman (2001: 1006) point out, these two modes of managerial intervention are enacted through social and technostructural mediums of interaction. At the social level MNCs attempt to exercise normative control (“prescribed interpretations”) over their subsidiaries by persuading its employees to develop and sustain a distinct corporate identity (for example, Chloron’s mission statement, which is not only displayed by employees, but is informally mandated for display by subaltern outsiders like Bhavnani and Sons). At the technostructural level knowledge management becomes “enacted blueprints” or “templates for action” (Alvesson & Kärreman, 2001). This can occur through codification using information technology or personalization through normative control. At both levels of social and technostructural, the aim is to increase the efficiencies involved in transforming inputs to outputs. However, as Alvesson and Kärreman (2001) argue, this often results in a loss of knowledge rather than a gain because of the reduced complexities, nuances and subtleties that are necessary for these efficiencies to occur. Thus, “the technocratic and socio-ideological types of management are predisposed to operate in a way that eliminates and substitutes knowledge, rather than maintaining and creating it” (Alvesson & Kärreman, 2001: 1013).

Subsidiary responses to the regimes of empowerment therefore take forms that are subtler, even dialogical. Resistance to work practices often takes on a more passive, “routine” dimension (Scott, 1985). Open confrontations are reduced, and replaced by “subtle subversions,” by acts of “disengagement,” and “ambiguous accommodations” (Prasad & Prasad, 2002). For instance, instead of more confrontational practices such as work-to-rule, workers

feign incompetence in carefully chosen arenas, thereby subverting organizational plans for a flexible workforce (Gottfried, 1994). For example, the invocation of the Deepavali festival by the workers under Tendulkar sent a signal to the headquarters that while they would have their way, the disempowered employees at Mumbai neither appreciated having to work on their festival nor did they enjoy their day off for the US Thanksgiving. The headquarters had its way, but lost some of its legitimacy in the bargain.

A number of researchers have documented this phenomenon of how, in responding to large-scale organizational changes such as computerization (Prasad, 1992) or re-engineering (Diplock, 1997), workers periodically alter their level of enthusiasm for the process as a means of communicating their fears and expectations. Sometimes, workers in modern organizational settings may play out their resistance through the invocation of ghosts, spirits, legends and religious deities (Ong, 1987). They may choose to accentuate their separateness from the managerial class by refusing to accept organizational gifts, thereby ceremonially disputing the managerial posturing that there is more to the manager-worker relationship than a pact between wage and labor (Kondo, 1990). The everyday relations at the workplace are the sites of class struggle, of alienation, of the constitution of worker subjectivity, of the gendering of work and its subversion, of intra-organizational bargaining, and sometimes, of relations of imperialism and cultural dislocation. In several instances at Chloron, we encountered specific acts of resistance that were aimed primarily in this direction – in that a number of employees as well as related groups such as contractors and ‘partners’ at the subsidiary level engaged in acts that were of minor consequence to the corporation, but were aimed at decentering the legitimacy of the headquarters in some small fashion.

There is also a colonial dimension to hegemonic practice. Insights from postcolonial theory allow us to understand how a “global subject” is produced in the former colonies. As several theorists have pointed out the history of development in the Third World is also a history of colonialism (Escobar, 1995; Harvey, 1996). Traces of colonialism in present “postcolonial” histories of new nation states are often obliterated or retraced in economic terms of “progress” and “development” without speaking of its complicity in contemporary power relations (Shohat, 1992). There are very few studies of how colonial modes of development impact organizations in developing economies. A few researchers have examined the types of colonial discourses that inform organization-stakeholder relationships (Banerjee, 2000), organizational control (Mir et

al., 2003), organizational culture (Cooke, 2003); workplace resistance (Prasad & Prasad 2003) and cross cultural studies in management (Kwek, 2003). In terms of its use in our discipline postcolonial theory can serve as a powerful foil to subvert the “objective,” “scientific” claims that privilege Western forms of knowing. Critical management scholars have focused on the emancipatory possibilities of defamiliarization in developing a new understanding of the received knowledge in any field in terms of subject positions created by an explicit acknowledgment of the epistemological and ontological assumptions of that knowledge. As Prasad (2003) points out, a postcolonial perspective can be productive in the sense that it can reveal the neo-colonial assumptions that underlie management disciplines, especially in the field of international management and cross cultural management. Neocolonialism can be understood as a continuation of Western colonialism without the traditional mechanism of expanding frontiers and territorial control but with elements of political, economic and cultural control. Such a perspective will allow us to enrich theories of knowledge management where the current preoccupation about knowledge flow patterns and corporate control over subsidiaries does not consider the broader cultural, political and economic environments that allow MNCs to “control” their subsidiaries (Gupta & Govindarajan, 1991).

Conclusion

It is important to reiterate that this study should under no circumstances be seen as a *repudiation* of the existing theories of knowledge transfer. Within corporations, the act of transferring expertise across divisions and geographies is often expedient and effective. Subsidiaries of corporations typically lobby the headquarters to intensify the transfer process, and to be recipients of new knowledge (Gupta & Govindarajan, 1991). However, even while acknowledging this reality, this study seeks to highlight those elements of the process that have been curiously effaced by the generally accepted theories of knowledge transfer. First, for a variety of organizational subjects, the process is often inflected with coercion, and is devoid of dialogue. Second, the headquarters of the MNC attempt to render its perspective hegemonic, and passive resistance by the subsidiary continually subverts their attempt to achieve complete legitimacy. The complete absence of any discussion of these elements in theories, accounts and empirical research studies of knowledge transfer also says much about the isomorphism that characterizes organizational theory.

It should be obvious that our own reading of knowledge transfer is not celebratory. We do not believe that these practices result in greater agency at the level of the subsidiary, nor do we think that the rhetoric of globalization, economies of scale and mutual benefits signals the advent of a more equitable or egalitarian MNC. On the contrary, these are mere catchphrases that try to refract contemporary work processes through an ideological lens and contribute to the hegemony, albeit contested, of a specific kind of corporate discourse. It is the responsibility of organizational scholarship to participate in the creation of counter-hegemonic discourses, to challenge sedimented wisdom and to subject the complacency of extant theorizations to critical scrutiny (Mir & Mir, 2002).

We will conclude by revisiting the vignette with which we opened this paper. Bhavnani and Sons, the corporate contracting firm that displayed Chloron's mission statement in its modest workshop is an important reflection of the rapid (albeit recent) incursion of global capital into India's local economic landscape. Just as Tendulkar's recalcitrance serves as a metaphor for the limits of globalization, so too does the presence of the mission statement at Bhavnani represent the power and extent of global reach. The physical presence of the mission statement of Chloron at Bhavnani and Sons (laminated in the United States, frayed at the edges, a bit grimmer than its counterparts at Chloron-India's well appointed Mumbai office) can be regarded as a benign, apolitical event. However, we argue that it provides us an interesting insight into the materiality of the relational difference between entities that are at the different ends of a power relationship. In his famous essay *Do Artifacts Have Politics*, Langdon Winner (1986) discusses how the presence of low bridges on the parkways in Long Island (New York) provide an insight into class analysis (they had been built low so that buses could not run on them, and would thus keep to keep the pristine beaches of Long Island free of the presence of poor people). Undocumented immigrants in the United States were more likely than others to display the flag of the United States at their homes in the wake of September 11, 2001 (Leong & Nakanishi, 2002). Ethnographies of infrastructure reveal how values get inscribed into artifacts. (Star, 1999). Artifacts whether they are mission statements, cluster bombs, computerized assembly lines, or PowerPoint presentations also have their own political stories to tell.

In the case we have analyzed, Bhavnani and Sons, despite their status as a contractor, wanted to emphasize their loyalty to Chloron, reflecting the tenuous nature of their foothold with the organization. The artifact of the mission statement, present at it is in the Bhavnani office,

thus becomes a symbol of Chloron's *hegemony* (after all, it is presumably placed there voluntarily). It indicates the acceptance of the Chloron philosophy by Bhavnani, an alignment of interests within the power dynamic. However, its curious juxtaposition with other artifacts of a highly local cadence (such as the pictures of Hindu deities) alongside the mission statement, its somewhat sorry condition (relative to the clean and well-framed displays at the air-conditioned offices of Chloron-India), and the occasional derisive comments it attracted from the workers of Bhavnani and Sons (usually around the time when the unit was being harried by Chloron-India's demands) point to an interruption of the hegemony. It is important to remember that these interruptions do not in any way reconfigure the power relationship between Chloron and Bhavnani, but rather point to the moment of rupture between the two entities, where the failure of *hegemony* has to be managed by the routines of *dominance*. These routines included threats to invoke the fine print of contracts, withholding past (already delayed) payments till the completion of future work, dismissing suggestions and constantly reminding Bhavnani that there were other workshops that would be glad to do the same work for Chloron.

While many theorists have debated the phenomenon of knowledge transfer in the MNC, very few have addressed how these new imperatives of thought and action that constitute new knowledge are received in the terrain that constitutes the subsidiary of the MNC. It is easy to theorize that new knowledge flows into a vacuum of ignorance, but the reality is that there already exist complex and imbedded processes of learning at the subsidiary level, which new knowledges seek to displace. In this context therefore, we need a new research agenda in the field of knowledge transfer. Our new research questions may be articulated as follows: How are change demands communicated by headquarters of MNCs to subsidiaries? How are they internalized at the subsidiary level? How are they assimilated or resisted? More importantly, how do local interests hybridize, transform, and indigenize these alien demands so as to carve out a space of "local" agency within the "globalized" economy? And ultimately, what does this new story of knowledge transfer, of political economy, and the changing landscape of industrial accumulation have to offer to those researchers who try to write a different organizational theory, one that is sensitive to those subjects who are consigned to the periphery of mainstream organizing? Research that attempts to offer answers to these questions will be of great importance, and will join a small but growing body of research that offers a different understanding of organizations and their activities.

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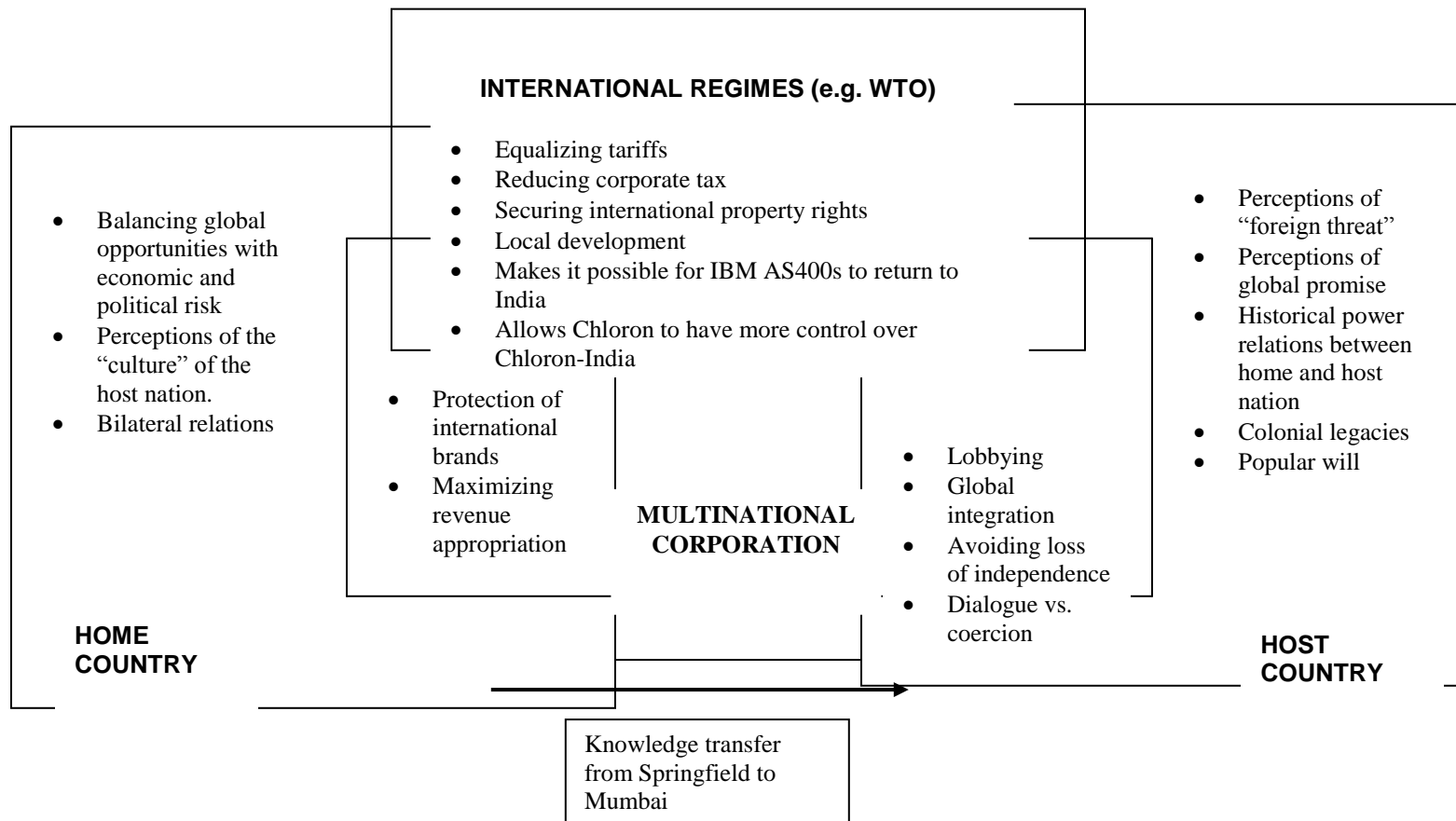
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Figure 1

CONCEPTUAL FRAMEWORK: ISSUES INVOLVED IN KNOWLEDGE TRANSFER



ENDNOTES

ⁱ All names and identifiers have been disguised for confidentiality.

ⁱⁱ Springfield is the US headquarters of Chloron.

ⁱⁱⁱ These reasons related to a policy of import-substitution adopted by the Government of India in the 1970s, which led to the departure of companies like IBM from the country. IBM's AS400 mainframes were the systems on which Chloron's corporate ERP systems ran, and the absence of this key hardware led to the ERP being unavailable in Chloron-India.

^{iv} This refers to Akira Kurosawa's classic 1950 film (<http://imdb.com/title/tt0042876/>), where an event is recounted several times from the point of view of different participants. No official account emerges at the end, despite all narratives being characterized as "true" from the point of view of different protagonists.

^v <http://www.m-w.com/>

^{vi} India's most important Hindu holiday, the equivalent of Christmas in importance.