Boundary spanners’ management practices supporting the corporate success in overseas markets

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International managers need to make a conscious effort to adapt to local systems while translating managerial practices from home to host culture. Expatriates play the role of boundary spanners, gathering market information meanwhile bridging internal and external organizational contexts. Managers’ boundary spanning activities positively relate to individual efforts to transfer knowledge from, and acquire subsidiary knowledge for, headquarters. In this process the international manager also functions as a change agent transforming managerial practices in the local subsidiary. This study investigates the performance of expatriated managers as boundary spanners and changing agents through their preferences and networking practices in the corporate, market and living environments. A contextual model was designed to investigate the practices and performance of expatriate managers. Several hypotheses were built that guided the analysis of preferences and trust networking of the boundary spanners. The results of the analysis showed that culturally competent managers become capable of sustaining the firm’s market success when focusing on the corporate environment. Additional analysis made clear that willingness to speak the local language and a preference for governmental support impact sales performance positively as well. Explanations for the success of boundary spanning include that a balance of globalizing and localizing practices in corporate environment prepare the market success. Obviously, successful boundary spanners spur firm success by embedding and transforming global management practices in the intercultural workplaces.

Keywords: Boundary spanner, preferences, networking, adjustment strategy, cross-cultural synergy, contextual management appraisal
1. INTRODUCTION

Since the 1990s HRM strategy focuses on corporate strategy viewing humans as resources and aims for Return on Investment (ROI). HR scholars would ask: Do expatriates contribute to the sales success of their firms? However, expat failure was already calculated to cost $200,000 thirty years ago (Copeland and Griggs 1985). Expat failure is often caused by a lack of perception on the new business environment. Therefore, we should include the question what kind of cognitive orientation is important for the managerial and firm success? In contrast to IHRM, Cross-cultural Management focuses more on intercultural aspects and views of people as people who need to respect and cooperate with each other for their personal and corporate success. Thus, we need to draw into the calculation the degree of the cultural adjustment of those expatriates. In geography the cultural turn as given creditability to new methods including actor-centered research that shifts to the focus to those actors who are managing corporate entities (Taylor, Walker and Beaverstock, 2002, Gertler, 2004). Thus, Thrift (2000) addressed managers as fast subjects showing the need to investigate decision-makers directly to grasp new practices transforming the global economy and local workplaces. Consequently, as an economic geographer teaching Cross-cultural Management with an ambition to better HRM at the level of MNEs, I ask “What kind of preferences and networking in the corporate, market and living environment can be observed at the level of culturally adjusted expatriate managing directors leading successful overseas subsidiaries?”

Previously, Management Geography was proposed by management scientists such as Beika (1970) and Abo (2002). Within Geography, Andrew Jones (2002) followed the call of Nigel Thrift (2000) and Risto I. Laulajainen (1998) regarding Management Geography. Jones made the critique that the global city was misperceived and demonstrated that a deeper understanding of managerial practices within multiple spaces of a globalizing economy is needed. Schlunze, Baber and Agola (2012) published a conference book reviewed in Regional Studies that is now perceived as an important step towards the foundation of Management Geography. From the perspective of Management Geography,
the global city itself is perceived as a heterogeneous assemblage of practices, materials and actors drawn from within and without the city limits. I defined Management Geography as a new avenue integrating IB and economic geography at the nexus of managerial and innovative practices within the global city network. The research objective is the analysis of the socio-economic and cognitive behavior of managerial actors influencing the performance of organizations and urban entities through their cognitive knowledge and managerial practices. New theories and methods have been developed to learn about managerial practices within firms that many economic geographers still perceive as a black box. Managers' and entrepreneurs' boundary spanning practices need to be mapped in real, relational and cognitive spaces. From an institutional perspective, Ramsey (2005) showed cultural distance and expatriate adjustment matters. From an actor-centered research perspective, Schlunze (2010, 2012) showed the value of location for managerial adjustment processes through multiple case study research, and contrasted the normal expatriate manager with the bi-cultural or hybrid manager able to cope with locational circumstances in second tier global cities. Schlunze et al. (2014) showed that cultural synergy can be achieved when co-located managers with different cultural background do not compete but share network information implementing better corporate governance. Managerial networks are part of global managers’ social capital that can become valuable for the firm if they succeed to overcome structural holes and win the function of a broker within the network (Burt 1992, 1997). Williams (2011: 27) defines such boundary spanning as a highly complex, particularly when multiple and overlapping boundaries created by different agencies, sectors and professions are involved and when these often shift in time and space. He distinguishes reticulist, entrepreneur, interpreter and organizer as roles and competencies of boundary spanners. Supporters in the intercultural workplace and market environment play a crucial role in the managerial success of such managers. Global managers need to bridge cultural differences within the workplace by diversity management as they facilitate market opportunity by applying new practices. Accordingly, Yagi and Kleinberg (2011) showed boundary spanning as a process of cultural learning leading to increased intercultural competence. Reiche (2011) found that manager boundary
spanning positively relates to individual efforts to transfer knowledge from, and acquire subsidiary knowledge for, headquarters. Thus, it becomes clear that international managers function as boundary spanners. Expatriates play the role of boundary spanners, gathering market information and bridging internal and external organizational contexts (Aldrich and Herker 1977).

Locational theories of Thuenen, Weber, Loesch, Christaller, Isard, Greenhut, and others have been building a foundation of economic theory. However, Dicken (1971) expressed dissatisfaction with normative theory in that personal factors in location decisions are omitted in those theories. Dicken’s plea was that economic geographers need to have a wider knowledge of behavioral sciences in order to progress our understanding of the spatial behavior of business organizations. He suggested that it is the study of perception and information flows that progress can be made in understanding the process whereby organizations adapt to their changing environment. To achieve this he did not advocate a particular inductive model but he found that it is useful to conceive of the business organization as an open system operating within an external environment (Dicken 1971, 427). Interestingly, he found that not profit making but survival is the only fundamental business goal common to all businesses regardless of their organizational structure (Dicken 1971, 428). Vitally important to this survival that helps to keep the organization’s energy flow going is feedback of information from the environment. Dicken designed a model seeking to explain that the behavioral environment can be perceived as a component of the total objective environment. He discovered the importance of the coding or perception mechanism, a domain of psychology, for geography research on the behavioral environment or action spaces. Managers take over the role to block out certain types of alien influences. They accept or reject information to ensure that the corporate energy flow will be sustained to make possible the survival of the firm. Geographical location plays a role in this thought model [Denkmodel] but physical distance is not necessarily the most important characteristic. Referring to Haegerstrand’s observations he found that the spatial mobility of the individual [manager] and the extent of his action space is closely related to variables such as the socio-economic status, cultural affiliation, personality-
attributes, education and aspiration. Since the behavioral environment remains undifferentiated Dicken (ibid, 430) observed only that the information flow within groups is, ceteris paribus, greater than information flow between groups but did not consider that managers based on their socio-economic status share similar living environments where interpersonal information flows ad to interfirm information flows through informal channels. The functional distance separating individuals belonging to different groups may be greater than physical or geographical distance (Iser 2003). It has been observed that the learning within interpersonal networks includes not only business executives within the workplace but also co-workers, friends and social acquaintances worldwide who become important for the survival or success of the firm.

Figure 1: Information flow in the corporate, market and living environment: important components of the behavioral environment (Source: based in part on Dicken 1971, Fig.1, p.429).
As seen in Figure 1 the corporate, market and living environments are now perceived as major components of the behavioral environment. Within these environments the individual actor and/or actors as team or group members need to code the information flows. Individuals rarely act alone in space and they work in concern to implement major task of the firm (Kleinbaum and Stuardt 2014: 353). The information flows derive from specific local or global spaces that are part of an objective environment. However, the information flow does not have perfect coverage and is itself an interpretation made by the individual actors’ contextual sense making activities. Therefore, it is created by the arrival of the behavioral environment and the perceptions of the actors and groups. A geographical impact exists in all stages of the perception process and influences how the information is processed for decision making in business organizations by individual and collective actors. Cultural or group affiliation results from temporal and physical co-location or relational place-making. Socio-economic status is often reflected by office location with the presidential office on an upper floor for example. Personality and personal attributes encourage mutual liking among humans and results to co-location (Nicholson, Larry and Rajesh, 2001). Age and past experiences contribute to development of similar perceptions. Education has a positive effect on the ability to increase categories and improve the perception or the codifying and re-coding mechanism. Aspiration of actors project future goals and/or purpose-full behavior. Within the business organization these actors are specialists whose primary function is to obtain and evaluate information regarding the firms operations in the market environment by developing strategies that sustain the position within the corporate environment and ensuring beneficial outcome for all employees seeking happiness and satisfaction in their living environment.

Despite its importance, systematic research into the functioning of the individual manager as the core unit of decision making in relation to the corporate, market and living environment is scarce. There is the need to learn about first the preferences of managers in the three behavioral environments. Then we can state what kind of information acquisition is happening. Second, we need to learn about network opportunities to understand what kind of information collecting as part of the search for alternatives occurs when decisions
are about to be made. The preferences and networks of the manager[s] determine the
coding mechanism within corporate entity. Kleinbaum and Stuardt (2014) identified
dynamic capabilities through network responsiveness. Scholars of organizational change
have long recognized the important role that social networks play in all change processes.
For example, Kotter (1996) argued that a vital task of managers is using their networks to
implement their agendas. Cultural and social intelligence is a critical aspect of the
manager’s informal network, and influences innovative practices (Tellis et al., 2009).

Managerial orientation and qualities of each decision maker within the firm are forming the
bases on the adaptiveness. The perception of the business environment is devised by the
abilities of the individual decision makers within the firm. The managerial structure and
their leadership abilities are other characteristics that need to be drawn into consideration
but the coding and recoding among the organization’s managers happens on an individual
actor level within and among groups. They are in charge of codifying and decoding
information. They filter or screen the data according to their views or preferences and
communicate their strategic intent within their group or department screening the perceived
problems and challenges in the corporate, market and living environment. For the actor in
space three basic sectors corporate, market and living environment can be distinguished.
They all can be perceived as internal and external, local and global, close and distant
environments. Stress maybe generated by changes within these environments involuntary
through changes not anticipated but perceived by the decision maker as they occur, and
voluntary as they act as changing agents (Dicken 1971, p.432, Czinkota, Ronkainen and
Moffett, 1999)

Coping with internal and external stress the manager has pressure to innovate new process
and/or product solutions in order to stay competitive in terms of managerial and/or firm
performance. Therefore, the manager needs to invest in his own and the organization’s
learning. The manager’s cognitive knowledge enables that creativity is perceived within the
given environment within the environment. He is in charge to put this knowledge into
action space by appropriate evaluation these innovations can be transformed into new
products and services. Innovative managers creating synergy in local workplace invest more in their human resources encouraging research and development and do not follow a hand to mouth existence (Dicken 1971, p.432). They search for suitable alternatives that are not necessarily optimal but usually suboptimal. In real business managers often realize the impossibility of achieving a truly optimal solution to any problem. The suitability of a decision is formed by solutions based on the anticipated challenges in the behavioral environment. Here, the mental maps of action space determined by the preferences and networkability of the actor or decision maker in space become crucial (Gould 1966, Dicken 1971, p.433). It is important to ask what kinds of preferences managers have in particular environments and how their information does and relation networking practices contribute to their personal managerial and the firm performance. However, the survival of corporate entities cannot be explained only by an appropriate information flow sustaining the managerial process but need to be framed by the factors that determines or characterizes the managerial behavior!

Who is linking the environment and the organization? According to Aldrich and Herker (1977) it is the manager who has a role as boundary spanner paying attention to environmental and technological sources. However, different to economist and economic geographers in the 1970s they critiqued the organization as “wholes” or single entities. Meanwhile geographers still perceive the firm as a black box social scientist studying organizational behavior shed light on the boundary role personnel within the firm who selectively act on relevant information, filter information prior to communicating it. They saw the power position of boundary spanners as evident in the discussion of information-processing. Meanwhile Dicken (1971) is puzzled about the underlying organizational mechanism that ensures the survival of the firm, Aldrich and Herker (1977) discovered the internal power struggle to make correct inferences and give information vital for the organizational survival as a mechanism of filtering information from the environment. Dicken mentioned several characteristics of entities within organizations that might influence the coding mechanism but Aldrich and Herker pushed forward with assumptions formulated as hypotheses about the function of the boundary spanning managers within
organizations. They started to open the black box for those interested to study behavioral aspects of management in the internal and external context.

Basically they saw two functions performed by boundary spanners: information processing and external representation (Aldrich & Herker 1977, 178). First, their ability to encode information and help the firm to adapt to environmental contingencies is crucial for survival in businesses. Second, boundary spanners can help to maintain the legitimacy of the organization. They boundary spanners not only represent but also mediate the legitimacy and hegemony of organizations by providing information to the clients, specially adapted for them. Thus, we arrived at an interactive model where managers with boundary spanning functions actually modify the behavioral environment. As organizational and environment complexities increase organizations need to differentiate more boundary spanning activities. They are the powerful gatekeepers and “become even more powerful if they make correct interferences and if the information is vital for organizational survival” (ibid, 227). The role of an interpreter and modifier of the behavioral environment makes routinized work impossible. The encoding and interpreting of changing aspects in the behavioral environment they propose new strategies and pro-active measures to influence changes in the environment. Thus, the firm can gain advantages from self-initiated or newly created action spaces.

Recently, boundary spanners’ acculturation, preferences and networking in corporate, market and living environment have been investigated (Schlunze et. al. 2007, 2013, 2014, 2015). It was found that the cultural adjustment of international managers was important for creating synergy in the intercultural workplace. That data provided a new typology that distinguished between expatriate managers who tend to emphasize strategic intent and Hybrid managers who succeed by acculturation in the Japanese business environment. Based this typology and deepening the knowledge, Plattner (2012) found preference patterns distinguish expatriated managers as “Localizing”, "Embedding", “Networking”, and “Globalizing”. Regarding successful boundary spanning practices, international managers have different focuses and respond differently to the market, corporate, and living
environments. They also demand different environmental settings in order to achieve their personal and corporate business success according to the wider circumstances of the particular business situation.

Four patterns emerged: localizing, embedding, localizing, and globalizing. The localizing pattern is characterized by the international manager's personal communication in the local community (living environment). Manager’s preferences for the livable local environment and the local information network are high, while the interest in the manifold city life is antipodal.

Second, the embedding pattern is characterized by international managers' operative communication at the workplace. A good working atmosphere is most important after managers’ livable local environment, while collaboration in the multinational enterprise is in diametrical opposition.

Third, the networking pattern is characterized by international managers' operative communication in the business network. Those executives use the cooperation possibilities in the value chain as well as the local information network to be successful in business. For them the general market opportunity is contrary as an explicit factor.

Fourth, the globalizing pattern is characterized by managers’ strategic communication of headquarters' commands to subsidiaries. The success of those managers is based on close collaboration within the multinational enterprise with consideration of governmental supportiveness in market regulation. Human resource access is complementary.

Schlunze and his co-researchers (2013, 2014, 2015) showed how this typology can be used to explain the networking patterns of individual managers. The question in concern is what kind of manager type performs best and contributes to the corporate success of MNEs. Liu et al. (2014) shed light on relational risks taking over the role of transnational business networkers. These agents are gatekeepers of information on intra and inter firm levels through their many activity dependencies. Although our knowledge has improved through
transnational studies there is a lack of research addressing the global manager as a boundary spanner. Expatriates play the role of boundary spanners, gathering market information and bridging internal and external organizational contexts (Aldrich and Herker, 1977). Andersen and Kragh (2015: 788) critiqued that most literature on boundary spanning focuses on information processing rather than management. They view boundary spanning as a competence emerging from the actions of managers (ibid, 789). In their view these practices constitute the structures within which creativity occurs. Creating spaces of creativity is seen as an important responsibility of the manager (ibid, 803). Several researchers did focus on boundary spanning in the context of cross-cultural management. A “make or break” mentality that creates room for creativity, defines creative space and acting in this spaces is also needed for creating intercultural synergy. Yagi and Kleinberg (2011) showed boundary spanning as a process of cultural learning leads to increased intercultural competence through interaction with local and global connections. Therefore, we still need to ask following questions: Do culturally adjusted boundary spanners with certain preferences and networking characteristics contribute to the sales success of their firms?

Theoretical Framework

With the here introduced original methodology, a multifaceted contextual management appraisal, the extent that global managers become embedded in the local and global business environment will be investigate. Using questionnaire surveys we will examine a) the locational preferences, b) the cultural adjustment in the context of trust networking behavior of global managers and evaluate their managerial and firm performance. Several researchers surveyed people’s success when adjusting to another culture and discovered the importance of individual’s effectiveness in drawing upon a set of knowledge, skills, and personal attributes in order to work successfully with people from different national cultural backgrounds at home or abroad. Based on meta-analysis of relationships several inputs to
success have been confirmed by Black et. al. (1991). Following factors are counted as inputs: anticipatory factors (experiences, language ability), individual factors (self-efficacy), job factors (role clarity and conflict), organizational factors (co-worker support), non-work factors (spouse adjustment). A model of managerial behavior that includes predictors is needed to grasp the reality of expatriate managers who are under pressure to perform simultaneously in the local and global business environments. Here, a model was developed that includes the above mentioned work related and non-work factors to grasp a realistic picture what really matters for the boundary spanning activities of global managers. In contrast to the research works above that only ask for particular aspects of the managerial performance, here a systematic concept that helps to explain what are the preferences that contribute to preferable performance of managing directors and impacting firm performance positively will be developed and proved. The research objective is to analyze the preferences and networking in the corporate, market and living environment at the level of expatriate managing directors and to relate their behavior to their managerial and corporate success.

For this investigation an original model was developed that aims to explain firm and managerial performance by preferences, networking and cultural adjustment of the boundary spanner. The aim was to analyze to what extend preferences and networking in the corporate, market and living environment sustain the boundary spanners’ managerial and firm performance. Based on empirical observations at the level of intercultural workplaces, three success attributes were distinguished in each environment. As a result of these interviews we reduced the number of variables to the three most important ones (see Table 1). These key variables were used to assess the focus of the manager and differentiate certain types the adjustment and networking strategies, such as globalizing vs. localizing and global networking vs. embedding (Schlunze et. al. 2014, 2015). These nine key variables also appeared in the questionnaire which was used to collect data for the database analysis presented in this paper.
<table>
<thead>
<tr>
<th>Environment</th>
<th>Variables</th>
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<tbody>
<tr>
<td><strong>Corporate</strong></td>
<td>Collaboration within the multinational enterprise</td>
</tr>
<tr>
<td><strong>Market</strong></td>
<td>Cooperation with suppliers and customers in the value chain</td>
</tr>
<tr>
<td><strong>Living</strong></td>
<td>Livable local environment</td>
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</table>

Table 1: Variables to distinguish preferences in the business and living environment

The framework has been presented at several conferences in Japan and internationally in the field of managerial science and economic geography. A brief description follows. For the preference analysis the number of variables was reduced to the three most important ones. The relation between the variables is linear and regression analysis can be formulized for calculating the overall locational preference of a foreign executive manager: According to Schein (2005), the corporate environment is defined by three cognitive levels of organizational culture. We therefore distinguish three key components of the corporate environment abroad: the working atmosphere, the human resource access, and the collaboration in the multinational enterprise.

H1.1: The stronger the manager’s focus is in the corporate environment, the better the managerial and firm performance.

The market environment consists of market opportunities, cooperation with suppliers and customers in the value chain, and governmental supports (Håkansson and Johanson, 1993, Zhang, Wu and Henke Jr. 2015). A market is an institution that links information to buyers
and sellers to allow the exchange of goods or services. The boundary spanner has an important role to satisfy customers and clients (Hald, 2012).

H1.2: The stronger the manager’s focus is in the market environment, the better the managerial and firm performance.

The key elements of the living environment consist of livable local environment, manifold city life, and the local information network. We assume that a good work-life balance is important when managing abroad.

H1.3: The stronger the manager’s focus is in the living environment, the better the managerial performance.

Figure 2: Managerial and firm performance impacted by preferences, cultural adjustment and networking
Shown in Figure 2, the model for a contextual management appraisal was developed during the research projects. Global managers with high cultural intelligence able to adjust culturally tend to show a better managerial performance because they adjust more easily to the host country (Lee and Sukoco, 2010), and are better at creating intercultural synergy and therefore a better firm performance (Elenkov and Manev, 2009). Dynamic capabilities of adjustment and network responsiveness by actors with a boundary spanning functions would lead to better the performance outcomes (Kleinbaum and Stuardt, 2014: 364). I propose that preferences in the corporate, market, and living environment focused on human relations, a strong cultural adjustment and local trust relations contributes to good managerial performance affecting to the overall firm performance positively.

**H2**: The better the cultural adjustment, the better the managerial performance.

Since cultural adjustment contributes to the networkability of the boundary spanner, the recruitment of a local advisor should be perceived as an element of successful networking behavior. Baber (2012) conducted deeper interviews and found that for Western managers’ conflict resolution within Japanese workplace an interculturally fluent advisor is needed. Meshing with diverse and informed actors in action spaces appears to become an important information source. These interpersonal connections will also help to interpret the code mechanism and/or perceive the objective environment as it is. Thus, we assume that certain preferences and behavior affect the networking in the workplace and these interactions can result in heightening the cross-cultural competence of the expatriated manager. Therefore, I propose following hypotheses.

**H3.1**: The stronger the preferences in the corporate environment, the better trust relations within the workplace.

**H3.2**: Frequent interactions with a trusted advisor in the workplace contribute directly to cultural adjustment of the managing director.
2. METHOD AND MATERIAL

With the support of the EBC European managers were surveyed by questionnaire and interview. Those European managers registered with the EBC received our original questionnaire that was developed to investigate the research model above. A questionnaire survey on the network of 230 European managers based in Japan and another questionnaire survey based addressing 330 Japanese managers expatriated to Germany were conducted. Those international managers who indicated their willingness to provide deeper insights by cooperating with our interview survey were contacted after the questionnaire survey was completed. A sample was created that focused on the evaluation of hybrid type of international managers who are the bi-lingual and perform with cultural competence. The questionnaire consisted of following set of questions. a) preferences in the corporate, market and living environment and additionally general locational preferences indicating workplace and living place; b) cultural adjustment including particular adjustment practices, c) trust network to discuss workplace and problems with clients in the market; d) managerial performance in term of synergy creation. To evaluate firm performance the sales figures have been used provided by Toyo Keizai database and correlated with the above listed factors a-d.

Procedures

The sample of the first survey included all 230 foreign executive managers listed in the directory of the European Business Council in Japan (EBC). Analysis was conducted with 60 executive managers who fill out a questionnaire in advance of the interviews. For the questionnaire survey I got a reply rate of 18%. Half of the replying managers indicated that they were willing to collaborate with the interview survey. A questionnaire was used to prepare for the interviews and to gather data for later database analysis. The questionnaire collected information about the locational preferences, behavioral orientation and networking of the European executive manager. The results from the database analysis and interviews have been double checked by comparison against the original data. In cases
where there was deviation, I deepened the investigation through follow-up interviews. Where it was necessary I conducted additional interviews. Finally, 57 valid cases were used for statistical analysis.

A comparative study was carried out on Japanese managers in Germany. Thus, I created a sample included 330 managers listed in the Toyo Keizai database. A Japanese version of the previously used English questionnaire was sent out in January 2011 to survey Japanese managers based in Germany about a) their cultural adjustment strategies, b) locational preferences, and c) networking behavior. Additionally, 33 Japanese managers met at the New Year’s Party in Düsseldorf and the Hakuba meeting in Hannover were asked to support the questionnaire survey. In contrast the very much up-to-date list of EBC the Toyo Keisai database is not so reliable. Firms are moving and managers are changing their positions. To update the information given by Toyo Keizai it became necessary to check the homepages and meet managers at various occasions. In total 97 managers replied. The reply rate was 29 percent since such follow up strategy was successfully undertaken and the questionnaire was designed to be filled out in less than ten minutes.

Additionally, interviews were conducted with 25 European managers and 27 Japanese managers. To investigate preferences and networking behavior in the corporate, market and living environment onscreen analysis has been used. The interviews lasted usually more than one hour. The results will be used to support the argumentation of the findings of the questionnaire survey and/or as supporting case studies during the presentation at EAMSA conference but will be not introduced in this paper in progress. In summary, based on our original framework, PC based onscreen analyses were performed during interviews with an additional 52 managers of MNE overseas subsidiaries.
Both databases have been matched and multivariate statistics could be performed investigating the hypothesis above. The analytical framework investigating preferences, networking and performance of the managing director was facilitated for the quantitative analyses. First, correlation analysis was conducted with joint database consisting of 150 valid cases. Following the line of the hypotheses, regression analyses have been conducted to investigate the contribution of managing directors to the firm performance.

The analytical approach outlined here is an actor-centered approach. The first step during the interview survey was to learn about the degree of cultural adjustment of the foreign executive manager. The second step was to evaluate locational preferences using onscreen software that applies conjoint analysis as described in Schlunze et. al. (2014). The data of both Japanese and European managers has been matched and will be subjected to further analysis. Third, the network of the managing director was visualized using the onscreen software Vennmaker. Due to the limitations of the conference paper the results cannot be shown in this study.
3. RESULTS

Results of correlation analysis

As seen in Figure 3 correlations have been discovered that show to what extent managerial performance is impacted by preferences and networking behavior. The results advertised were usually at a significance level of 0.01 indicated by two stars (**) or at 0.05 indicated by one star (*). It was found that in the corporate environment preferences for workplace harmony and the support of an advisor in the workplace correlate weak but positively for those with good managerial performance (.242**). This implies that a boundary spanner capable to create synergy skillfully focuses on workplace harmony. In the foreign cultural setting it is advisable to recruit a local advisor helping to implement workplace practices that keep local staff members and subordinates motivated.

Figure 3: Preferences and networking impacting managerial performance
It appears that preferences in the market environment such as collaborative development with clients (.207*) and a relative independency from governmental support (-.242**) promote the managerial performance.

Strong preferences for information networking (-.759**) and manifold city life (-.404**) in the living environment appear to have a negative influence on the performance of the manager, but a positive connection between human resource access in the corporate and information network in the living environment was found (.489**).

The analysis show us that the better the cultural adjustment in terms of language (.217**), decision-making involvement (.331**) and integration in local business community (.333**) equipped with a supportive partnership (.367**) the better the performance of the boundary spanner.

Frequent interaction with an advisor (.242**) who cares about workplace harmony can promote the managing director in his boundary spanning role. It is clear that sound cultural experience measured by length of the stay and assignment and by the willingness to speak the local language promotes a good workplace relationship which also confirms previous research findings (Schlunze 2012). Bi-cultural or hybrid managers have less difficulty to recruit and trust local advisors in the intercultural workplace.

In conclusion, from the correlation analysis we can observe that the boundary spanners understanding and attention towards the actors in the workplace and in the value chain directly nurtures the firm’s success. Strong preferences in the living environment can distract from good performance of the manager but at some point might inspire to the manager about attracting talented people. It becomes obvious that that the willingness to adjust culturally is needed to recruit a trustable cultural advisor.
Results of Regression analysis

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<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
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a. Predictors: (Constant), involved
b. Predictors: (Constant), involved, MNE Collaboration
c. Predictors: (Constant), involved, MNE Collaboration, WORK
d. Predictors: (Constant), involved, MNE Collaboration, WORK, HUMAN
e. Predictors: (Constant), involved, MNE Collaboration, WORK, HUMAN, InteractionA
f. Dependent Variable: `Relative Sales Performance`

Table 3: Regression analysis results – Preferences and network

As seen in Table 3 the model 4 and 5 showed best value (R Square = 0.712) explaining the sales performance of the firm by certain preferences and aspects of networking behavior. Manager should be actively a) involved in the decision making of the local subsidiary, b) have a successful collaboration in the MNE network, c) help to build a good working atmosphere, d) make sure that he has always human resource access to talented people, and additionally e) listen to the co-located advisor who supports the manager to make wise decision in the intercultural workplace.

It appears that the preferences in the corporate environment are most important for the boundary spanner to succeed overseas. The focus of successful boundary spanners is on the
backup by home country headquarters, but also workplace harmony by enabling local talents through appropriate human resource access.

Preferences in the workplace

Figure 4: Preference for the collaboration in the MNE network

Collaboration within the MNE network can be viewed as global integration efforts but actually might also include local responsiveness. Global integration becomes effective through local responsiveness and therefore needs to be nurtured by good leadership and effective team building in the local workplace. Collaboration within the MNE network appears to be important task of the boundary spanner, but this task includes the obligation to negotiate the position and promotion of the overseas subsidiary in the interest of the local employees. In this aspect local responsiveness is an important part of the global integration efforts of the boundary spanner. The strong impact of this variable indicates that the globalizing function of the boundary spanner in charge to transfer knowledge and other resources from the headquarters to the subsidiary is foremost important.
Figure 5: Preferences for Human Resource Access

Managing directors need to be ambitious to access global talents but they should also have a reason to stay with the company. Human resource access cannot be enabled by the empowerment of the headquarters only but needs to nurture by good leadership for the local staff and teams members. It appears that an important role of boundary spanners is to select the right people for the right job. Human resource access is not only focusing in talents but includes also trust building process with local staff members. The second strongest impact in the corporate environment shows that the successful boundary spanner needs to get networked locally with actual and potential staff members in the intercultural workplace.
Figure 6: Preference for workplace harmony

Workplace harmony that leads to an effective team building is important for managing directors who act successful as boundary spanners. This can also include the moment of conflict and change. From Figure 6 it is obvious that Japanese managing directors heading German workplaces who do not have preferences on workplace harmony often fail to show good performance. One reason could be that these Japanese managers believe that within the German culture this issue is not needed. However, successful boundary spanners understand that workplace harmony is needed in any successful workplace is shaped by different cultural values differently. The third variable also shows a focus on the corporate environment. The concept of workplace harmony might be different in both host countries but it is meaningful not only for many Japan-based but also Japanese expatriated managers managing firms in overseas locations. Preferences for the workplace harmony indicate localizing efforts of Japanese practices.
Figure 7: Frequent interaction with co-located advisor in the workplace

Successful managers do focus on human resource access. Since they operate in a cultural foreign business and learning environment they need advice from local managers to perform their boundary spanner properly. This leads to the existence of a co-located advisor or co-worker able to consult about successful HRM strategies that do have positive effect on sales performance. From the Figure above it is clear that boundary spanners who consult their local advisor in the workplace are more successful with their sales performance. However, boundary spanners should have at least the knowledge to differentiate which HRM practices lead to business success and which not. This variable again shows that workplace issues matter most to the expatriate managers. It is crucial for the boundary spanning manager to open the doors by addressing a local, cultural fluent keyperson able to advise or even to assist with the communication of the vision and mission of the firm.
Figure 8: Actively involved in the decision making of the overseas subsidiary

Last but not least the knowledge of when and how to be actively involved in the decision making process is crucial. Having talented marketing and sales people involved in the local company means: to listen carefully to them and to get the necessary financial resources from the headquarters enabling local staff members to succeed with sales. From the figure above it appears that the sales performance can be encourage by the right involvement in the decision making process. It appears that the boundary spanner has an important role motivating and trusting his sales and marketing staff members. This result shows that is leadership role of the boundary spanner is a necessary and significant part of the managerial effort of expatriates.

Results of the second model
### Model Summary

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a. Predictors: (Constant), language
b. Predictors: (Constant), language, SUPPORT
c. Predictors: (Constant), language, SUPPORT, contribute
d. Dependent Variable: 'Relative Sales Performance'

Table 4: Regression analysis – Model 2.1-2.3

### ANOVA<sup>a</sup>

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a. Dependent Variable: 'Relative Sales Performance'
b. Predictors: (Constant), language
c. Predictors: (Constant), language, SUPPORT
d. Predictors: (Constant), language, SUPPORT, contribute
Table 5: Regression analysis – Model 2

Excluding the impact of sales champions it was found that for performing sales growth successfully following preferences matter: a) the willingness to speak the host country language in the local workplace, b) the preference for governmental incentives or support setting, and c) the preference to contribute to the foreign business community pro-actively. As seen in the figure below (Figure 9) those managers were successful in the overseas that confirmed strongly “My command of host country language is good. I try to use the local language as much as possible in the workplace”.

![Partial Regression Plot](image)

Figure 9: Importance of language command for market success
From the above Figure 10 it becomes clear that a group exist that depends with their sales success on the governmental support setting. It appears that for those companies this support setting can be only facilitated by accessing the government in the local language. However, the other group which are actually most of the managing directors do not depend on the host country’s governmental support setting for their firm success.

4. DISCUSSION

The results shown above verified the hypothesis (H1.1) “The stronger the manager’s focus in the corporate environment, the better the managerial and firm performance.” Hypothesis (H1.2) “The stronger the manager’s focus in the market environment, the better the firm
performance” could not be verified by the first regression analysis but in the second is was show that the cultural competent boundary spanners indeed use their language competence to negotiate with the government and get involved locally. Hypothesis (H1.3) “The stronger the manager’s focus in the living environment, the better the managerial performance” was falsified since the correlation analysis also showed that managers overemphasizing aspects of the living environment are those who do not contribute much to the firm performance. One explanation could be that the performed attitudes towards Japanese work ethics of Japanese but also Japan-based managers influence this result. Hypothesis (H2) “The better the cultural adjustment, the better the managerial performance” was confirmed by the correlation analysis showing the importance of language, involvement, integration, partnership. Hypothesis (H3.1) “The stronger the preferences in the corporate environment, the better trust relations within the workplace” was confirmed by preferences on workplace harmony and frequent exchange with the local adviser in the workplace. Hypothesis (H3.2) “Frequent interactions with a trusted advisor in the workplace contribute directly to cultural adjustment of the managing director” needs to evaluate through further analyses.

The initial research idea was to investigate what kind of cognitive orientation, in terms of preferences and networking in the corporate, market and living environment, can be observed at the level of expatriate managing directors, and how this relates to managerial and firm success. The most important result of the first regression analysis was that boundary spanner should be actively involved in the decision making of the local subsidiary ensuring the collaboration within the MNE network but also listen to the co-located advisor to the workplace. The boundary spanner needs to receive the back-up of the headquarters in the home country but also localizing activities such as workplace harmony are important as well. Therefore, the human resource access is important. The analysis imply that one of the greatest responsibilities of the managing director to achieve the business success in the overseas market is to focus on getting involved with the decision making process at the overseas subsidiary. Winning the support of the headquarters and/or MNE network the managing director also needs to harmonize workplace relationships in the overseas subsidiary. Consequently this can be achieved by choosing talented people and
consulting trustable and experienced advisors in the local workplace. If all these conditions are fulfilled cultural synergy in the workplace is likely to occur and the success in the overseas market becomes likely. Clearly, the findings of the analyses suggest that managing directors with their boundary spanning role are more focus on management issues in the corporate environment rather than the market environment but their ability to assess the information and evaluate in the market environment seems to be crucial.

Correspondently, through the second regression analysis the role of the boundary spanner as a culturally fluent networker was discovered. Boundary spanning activities also include the use of the local language when it comes to lobbying at the level of the host country or local government. The ability to contribute to the overseas community pro-actively includes such a role as a negotiator able to defend the interest of the firm and win governmental support in the local setting. The information network within the living environment does not directly contribute to the managerial performance but may inspire for a better HR management. In conclusion, successful boundary spanners are able to communicate with agents of local authorities and win their support building sustainable relationships (Williams, 2002). They are working across cultural boundaries searching for partners in the intercultural workplace who able to advise them about accessing local talents and establishing a harmonious and efficient workplace atmosphere through the provision of the resources from the headquarters and within the MNE network.

Theorizing from the findings we observe that boundary spanners do have foremost a globalizing function when leading overseas subsidiaries but they need to perform localizing functions simultaneously. Clearly, the results indicate that the orientation of these boundary spanners focused on the corporate environment, spanning from globalizing to localizing practices. Process orientation can be also observed at the level of boundary spanners that focus on the negotiation of embedding their subsidiary in the market environment through facilitating their own cultural skills and their ability to lobby for their company at a governmental level. Their practices focus on implementing global standards and practices of the MNE harmonizing within governmental settings facilitating market niches or
breaking up market restrictions as found previously by Faulconbridge (2008). Referring to the discussed above typology, the results showed clearly that the globalizing activity is most important characteristic of a successful boundary spanner but it was also found that language competence, local governmental relations and a will to contribute proactively help to sustain the managerial and firm success.

This research is follows an original approach nurtured by original data that was fed by two questionnaire surveys. A shortcoming of course is that the rich information of the interview survey was not added to this investigation because of the limited space of the conference paper. However, the survey material of the qualitative research conducted will be added later. One important step was that the statistical analyses showed for the first time the preferences and the trust network efficient for the managerial and firm success of managing director who possess the boundary spanning role within the overseas subsidiary.

Acknowledgement

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References


Management Geography as a new avenue of economic geography was introduced at the Association of Japanese Geography (AJG) by leading members of SIEM Research Group in 2007 and also discussed during an international symposium in 2015. The initial definition can be found at URL http://www.siemrg.org/siemrg-ajg20150329.html