

THE EMERGENCE OF 'POWER WITH': THE CASE OF A BORN GLOBAL ORGANIZATION

LIN YAN

University Of Greenwich,
Uk

NIKI PANTELI

University Of Bath,
Uk

1. INTRODUCTION

Thanks to the advancement of Information and Communications Technologies, the past decade has seen the rise of Born Global organizations (Rennie, 1993; Oviatt and McDougall, 1994; Karra and Philips, 2004; Zahra, 2005). Broadly defined as 'business organizations that, right from inception, seek to derive significant competitive advantages from the use of resources and the sales of outputs in multiple countries' (Oviatt and McDougall, 1994: 49), Born Global organizations are small, young, and internationally dispersed. While sharing the characteristics of 'smallness' and 'newness' of Small- and Medium-sized Enterprises (SMEs), Born Global organizations also bear 'foreignness', similar to that of Multinational Corporations (Zahra, 2005). Born Globals therefore need to strike a balance between 'global reach' and 'local touch' as in Multinational Corporations (Bartlett and Ghoshal, 1989); yet they have to do so with scarce resources and organizational uncertainty similar to SMEs, and with 'lean' and 'mean' communications afforded by ICT (e.g. Sproull and Kiesler, 1986). This study is an initial attempt to untangle the combined challenges in Born Globals' innovative way of management. Through a longitudinal case study, we aim to explore the issue of power in a Born Global's endeavour to manage its global knowledge via technology mediation.

In this study, our aim is to address the following questions: 1). "How is power articulated and negotiated in Born Global organizations? and 2). "What is distinctive about power in Born Global organizations when compared to traditional SMEs?" To this end, we first introduce the concept of 'Born Global' and provide an overall perspective of the innovative management often found in Born Globals. We then focus on the relevant literature on power in 'traditional' organizational setting. Following this, we present an empirical case study to illustrate how power was articulated and negotiated in a Born Global organization. Based on the findings, we conclude the paper by analysing the implications and limitations of the study and call for further research.

2. BORN GLOBAL ORGANIZATIONS

Over a decade ago, Rennie (1993) surveyed 310 firms in Australia and identified 'a new breed of Australian firms' that accounted for almost 20 percent of the country's high-value-added manufacturing exports. Contrary to other firms in the survey, which started exporting after about 27 years after establishment, this 'new breed' exported at an average age of two years. They were also different from 'the traditional idea of exporting firms' (ibid: 45) in that they were expanding to and indeed winning in the international market without a prior base with 'strong skills, solid financial capability, and a sound product portfolio' at home. What was striking

was the co-existence of small size, young age and their 'ability to compete globally' (ibid: 48). Their emergence, according to Rennie (1993), signalled a new direction of growth for SMEs. 'Contrary to popular wisdom', summarised Rennie (1993: 45), 'they were born global'.

As a new form of SME in the international era, cases of Born Global organizations have been reported in many major countries in the world, constituting a significant proportion of national economies, and inspiring an expanding and dynamic field of research (e.g. McDougall and Oviatt, 2003, Zahra, 2005). In addition to the liabilities of 'newness' and 'smallness' often found in traditional SMEs, what is unique about Born Globals is the 'liability of foreignness' (Zahra, 2005), a 'trait' mostly confined to large, multinational organizations. The interplay between its 'newness', 'smallness', and 'foreignness' demands Born Globals to adapt innovative ways of management, more complex than the management of traditional SMEs.

Oviatt and McDougall (1994), in one of the earliest studies of Born Global organizations, termed this innovative management as the 'alternative governance structure'. Due to the lack of resources and market experience on the one hand, and the demand for international operations on the other, Born Globals do not, and indeed cannot, own all the resources they need. While ownership is the conventional means of governing resources, Born Globals are often found to rely on 'alternative' structures. For Born Globals, it is their 'resourcefulness' – not the amount or even types of resources they own – that matters (Zahra, 2005: 21).

Like domestic SMEs, the most typical alternative governance structure in Born Globals is social network, connecting Born Globals with other organizations through personal or professional relations (e.g. Oviatt and McDougall, 1994; Bell, 1995; Servias and Rasmussen, 2000; Sharma and Blomstermo, 2003; Zahra 2005). Unlike domestic SMEs, however, the network in and around Born Globals is international, geographically dispersed, and often involving people from diverse professional, social, and cultural backgrounds. This 'distributed' feature of Born Globals makes them an interesting venue to explore innovative management in SMEs. In this paper, we report a case study that unveils how management power is articulated and negotiated via the use of Information and Communication Technologies (ICTs) in a Born Global organization.

3. POWER

This study was largely exploratory and grounded in nature. The issue of power was not what we looked for initially. With the progress of data collection and analysis, however, the power issue became more and more salient. We now briefly review the literature on resource and identity-based powers. We found these two themes to be particularly pertinent to our data, in order to assist readers in understanding our later analysis of power. While earlier studies maintain that power derives from the procession and mobilization of scarce resources (e.g. Blau 1964; Dahl 1957), later studies emphasize shared identity as the basis of power (Clegg et al., 2006).

The earlier approach defines power around resource-dependency. Power derives from one party (an individual or group) having (or being perceived to have) the ability to impose its will on another by virtue of the resources at its disposal (e.g. Blau, 1964; Dahl, 1957; Kaplan, 1964; Webber, 1947). The procession and mobilization of scarce resources enable one party to have power over others through withdrawing or withholding resources (Allen, Colligan, Finnie and Kern, 2000;

Rassingham 2000). When one party controls scarce resources, it has power. Lukes (1974) later presented a more eclectic conceptualization of power, known as the 'three dimensions' of power. In the first dimension, power is directly associated with scarce resources, while the second and third dimensions link power to the manipulation of 'meanings', through the control of either process or content, so that the 'real interest' of those under power is overlooked, or at least undermined, by the construction and articulation of social meanings. This approach emphasizes the notion of 'power over'. Power was thus mainly seen as prohibitive, preventing those under power from behaving in certain ways.

An underlying assumption of such prohibitive power is the notion of conflict. It was assumed that the fundamental relation between those in power and those under power was the continuous competition to possess scarce resources. As Clegg et al (2006: 191) noted:

Conflict was seen as the basis of organizational life. The resolution of one conflict would become the foundation for the next. Social change was seen as ubiquitous, rather than unusual, and conflict was normally one of its major mechanisms. Order emerges because some members of society are able to constrain others. Their acts of containment are episodes of power, usually accompanied by conflict.

This assumption of conflict was often challenged in the later theorizations of power (Bloomfield and Coombs, 1992). Simon and Oakes (2006), for instance, rejected the view that social power is essentially conflict-ridden and quite ugly; Brocklehurst (2001) contended that power is not necessarily a zero-sum game due to struggles between conflicting interests. Instead, *shared* meanings between those exercising power and those being managed, based on shared social identities, was introduced. Simon and Oakes (2006), for instance, depicted 'four faces of power', with the fourth 'face' dedicated to the production of shared identity. 'Rather than the violent, coercive dictators', Simon and Oakes (2006: 119) argued that 'entrepreneurs of identity' are likely to become 'the most powerful social actors' through recruiting others under a shared identity. This notion of power based on shared identities is labelled as 'power to' (Clegg et al., 2006). Different from the conflict-based and constraining notion in 'power over', 'power to' is both prohibitive and enabling.

In Born Global organizations, where power is mostly exercised over distance via technology mediation, where direct control by owner or entrepreneur seems an unlikely option, how is power articulated? How is it negotiated by those under or receiving power? These are the questions we aimed to explore at a research site in a Born Global organization.

4. RESEARCH METHODS

Beta Ltd. (a pseudonym) was chosen as the research site due to its small size, rapid international expansion, geographical dispersion, multiple layers of membership, and concentration in the 'knowledge-intensive' sector – some of the major characteristics of Born Globals.

Beta specializes in management consulting. Established in 1999, Beta soon developed into a global organization with offices, associates and affiliates in 18 countries, including the Netherlands, Italy, Germany, Lithuania, Canada, China, the US, and UK, boasting itself as 'a global network of top consultants'. Beta saw that its competitive advantage lay precisely in the small size and global reach. To utilize these, it had a multiple layers of membership, namely a core team of members and

a network of associates. They addressed themselves as the 'Beta Network', with 16 'core' members, 15 'associate' members, and 22 'affiliates'. 'Core' members were those who are officially on Beta's payroll, 'associates' were regular contractors and 'affiliates' were more *ad hoc* participants of Beta's international projects. Instead of having a 'pyramid', hierarchical, structure, Beta's organizational structure was flat, with most employees at the senior levels as 'partners', 'senior consultants', or 'consultant'. This reflected the experiences and prestige of the members, as most were regarded as experts in their individual fields.

The fieldwork was conducted during May 2003 and July 2004. Data collection started with participant observation. We gained access to Beta's 'Centre' in London as a consultant who helped with Beta's IT systems. We later had the opportunity to conduct an organization-wide survey on the use of the Intranet, and thus began our direct contact with the dispersed members of the organization. As rapport built up, we then had the opportunity to directly participate in the organization's international projects and work closely with some of the international members of the organization. Along with this increasing involvement in the field, the scope of data collection gradually expanded beyond the use of IT to generic management issues, and the methods of data collection included document analysis and semi- and unstructured interviews, in addition to participant observation. Overall, broad access was obtained in the organization, including their Intranet, conference calls, meeting minutes, internal training sessions, meetings with clients and suppliers, newsletters, group emails, and on some occasions, emails that were exchanged between the individual members.

The participant observation focused on the conducts of the head of the Centre in London and her comments about managing a Born Global organization. Two rounds of semi-structured interviews were conducted with all 'core' members of the organization, usually lasting 45 minutes to one hour. The first round was conducted after my survey of IT use in Beta. These interviews usually started with follow-up questions from the survey, and aimed at exploring the management issues behind the use of IT and introducing myself to the individuals outside London. Questions such as 'You mentioned in the survey that you don't really use the Intranet, would you tell me why?' and 'You commented that international conference calls were not helpful, what are the key areas to be improved in your view?' were asked. The responses to such questions allowed further exploration of the management issues at Beta, issues that were later picked up in unstructured interviews when we had the opportunity to work with several consultants on their international projects. These un-structured interviews were carried out mostly during discussions on work progress, and mainly aimed at exploring issues that seemed most pertinent in their relationships with London. The impressions, hints and hunches from these 'casual talks' enabled me to carry out a second round of semi-structured interviews towards the end of the fieldwork. Substantiated by the conduct and comments from the consultants obtained from observation and unstructured interviews, this round of semi-structured interviews focused on the consultants' responses to the key 'management measures' that London put in place.

The data analysis was broadly guided by Grounded Theory (Glasser and Strauss, 1967). These field notes, interview transcripts, company documents, meeting/conference call/conference minutes, newsletters, contents of the Intranets, and emails, were manually coded. While acknowledging the limitation of manual coding (e.g. slow speed, lack of quantitative accuracy, and being 'subjective'), we nonetheless found manual coding a helpful process in eliciting the key themes from

the data, with the particular advantage of the researcher's constant closeness to data. The data on how London manages the dispersed consultants was coded along the four major actions of the London office, namely the initiation of the Intranet, organization of conference calls, distribution of newsletters, and project management. The data on the consultants' responses to London was coded along the degree of compliance in their comments and conducts. While some showed clear compliance with London's requests, others negotiated or even resisted. The code of 'power', as a second-order code, did not emerge till the late stage of data analysis. In my searching for an overarching concept that captured the interactions between London and the consultants, 'power' came to be a notion that linked it all. There were, of course, alternative concepts, but they either seemed partial (such as 'control' or 'impression management') or did not address the fundamental social relations in this organization (such as 'structural misfit' or 'conflict'). This is not to say that power was the only force in play. Indeed, most of the concepts mentioned above bear close connections to power. The limitation of adopting this concept is acknowledged, and will be elaborated later, but given the centrality of power in organizations in general (Clegg et al., 2006), and the common theme from the data, we focused on power. In what follows, we report the data on London's assertion of power, and the consultants' compliance, negotiation, and resistance of power.

5. RESULTS

London was Beta's 'Centre', or 'Central Office', purposely set up to manage the dispersed consultants and to bridge the difference between consulting practices as practised in the US and the EU, two of Beta's largest markets. The 'Centre' was headed by Melanie and had two other staff, Holly for finance/accounting and Valentina for marketing. Beyond London, all the heads of local offices were also virtual members of the 'Centre'. While Melanie was responsible for the Centre's day-to-day operations, 'strategic issues', such as negotiating partnership contracts and developing new services and markets, were often involved and decided by the virtual members.

In theory, London controlled some of the key assets of the organization – finance, accounting records, marketing materials, project supervision, and personnel management. No project at Beta were seen as 'official' until it had been registered with London, at which point, Melanie became the project manager overseeing the progress. It was also within Melanie's remit to add, withdraw, or transfer consultants in her role of the Project Manager. This power, however, was rarely exercised (not once during my fieldwork). In practice, London was seen as fairly powerless, both by the consultants and Melanie herself. London's involvement in international projects seemed to be confined to documentation, book-keeping, and 'information processing'. Much of the work was organized in 'gangs', or sub-groups. There did not seem to be any fast rules about how and why these 'gangs' were formed. Furthermore, they were not consistent and stable over time. 'Personal connections' and 'previous projects' were the common reasons the consultants cited, while professional background, geographic location, or social/cultural background did not seem salient in the forming and re-forming of the 'gangs'. Overall, this Born Global's management seemed to be a struggle between the structured and formalized approach taken by Melanie and the fairly autonomous 'rebellious' attitude adopted by the consultants.

5.1. Asserting Power

London attempted to assert its power as the 'Centre'. This was done by initiating and managing Beta's Intranet, requesting the members' presence at global

conference calls and newsletters, and regulating virtual presence in project management.

First, Melanie stressed the importance of having a 'managed' Intranet for information storage and retrieval. During the planning phase of the Intranet, Melanie surveyed all members about their needs and requirements for the Intranet. This was quickly followed by an invitation to all members to submit documents and 'any relevant materials' to London. Melanie then 'polished' and 're-wrote' some of these, mainly changing styles and formats, before loading them onto the Intranet. Once the Intranet went live, Melanie considered London as having the 'ownership responsibility' for it. She requested active participation from the members, and highlighted the importance of comprehensive information and timely updating. To be present on the Intranet, to Melanie, should not only be part of the members' everyday tasks, but also part of their identity as a consultant.

"Well, the Intranet is about what we do, or rather, what we are. We are consultants, we need to persuade clients that we have tried and tested tools to solve problems. At the central office, we provide these tools, the weapons to fight, on the Intranet, so that everyone can learn from here and draw out whatever he needs. It's absolutely central."

Melanie put great emphasis on updating 'cases'. Once a project concluded, each consultant was requested to write a report to be uploaded onto the Intranet. Melanie was not particular about the format of these reports. As she commented, only the consultants knew what is important; but she was adamant that this should be done, and as promptly as possible. What was valuable to Melanie was the consultants' participation and involvement in the Intranet. However, in actual practice, Melanie had some concerns. While fragmented information concerning past projects were often quickly circulated among the consultants, few summative reports were submitted to London. Most completed projects were not reported. At London, Melanie reluctantly closed the files of these cases after several reminders, knowing that little information could be added to the Intranet except the basic information such as client names, services provided, revenue generated and the duration of the project. The lack of 'reflection' and 'forward thinking' frustrated Melanie, as did the lack of recognition of London as the 'information centre' of the organization.

To catch up with fragmented information, Melanie initiated a second measure – global conference calls – to facilitate 'continuous communications'. Lasting for an hour or so, these calls were organised once a month. Although it was not a formal obligation for the consultants to take part, Melanie repeatedly emphasized the benefits of timely information-sharing. Initially, London was only responsible for the organization of the calls, such as issuing passwords and providing technical support. The contents were decided by the dispersed partners; and a partner located in Italy was appointed as the chair. But seeing the calls gradually 'drifting', as in becoming irregular, and also lacking clear agenda, Melanie decided to take further action. She started by requesting all members to participate in the forthcoming call; then chaired the call herself by having a 'round-the-table' report from each participant; this was later followed by emails detailing to-do lists, such as this one:

We agreed to concentrate on Companies ranking between 201 and 300 and first that piece will be circulated from London with a chance for everyone to give the following input:

1. *Have you worked for any of them?*
2. *Do you know any of them or do you have contacts in them (contact name)?*
3. *Do you know what issues any of them are currently facing?*
4. *Choose 15 each that you'd like to follow-up.*

At the next conference, we will assign the companies and the team (2 people) who will follow it up.

Third, Melanie distributed newsletters, and paid particular attention to the broad representation of consultants in the newsletters. Unlike the Intranet and the conference calls, however, Melanie did not actively edit the contents of the newsletters. An email was usually sent out a week before the issue date, inviting contribution. Melanie was only to copy and paste the information she received. For Melanie, the newsletters were 'for fun', aimed at establishing a sense of community rather than business building, but she was careful to ensure that all offices had fairly even coverage in the newsletters, and there was some coverage of the London office in each issue.

Finally, in addition to managing these everyday communications, Melanie also gave great importance to playing an active role in project management. Beta operated a 'twin leaders' system on international projects – one 'project owner' who provided professional expertise to the participating consultants, and one 'project manager' who oversaw its progress, undertaking tasks such as filing documentation and managing deadlines. Melanie was the 'default' project manager in most cases given her role as the head of the 'Centre'. Due to the twin leader system, project communications were supposed to follow a 'matrix', with both the owner and manager fully informed of new progress. But in practice, Melanie often felt left out. Given the lack of comprehensive IT communication systems (as are often the case in SMEs), Melanie relied on being copied in emails to keep pace with project development. This proved to be unsatisfactory. Although Melanie was able to get a rough idea of project progress, she was concerned with both the contents and frequency of the emails she received. She felt she was being overloaded with information *and* left out of key developments. In her words, the emails updates were not used 'properly':

"Because we're in so many countries, we use emails a lot. But I find them a bit difficult...for example, I find myself being copied in a lot of emails; some of them, perhaps 50%, don't have much to do with us in London. But on the other hand, I do miss out some important updates; somehow they don't come to me. I suspect it's not very different for others. So I thought we should have a (sort of) standard of using emails, especially for ongoing projects, as part of project management."

Melanie eventually failed to develop the 'standard of using emails'. Till the end of the fieldwork, she continued to receive, and being frustrated, by the volumes of emails that were 'not particularly useful'.

In summary, despite possessing some key resources, London failed to exercise its full power as the 'Centre'. It 'managed' the consultants mainly in fairly 'under-handed' and indirect ways, through formalization and requesting of virtual participation. These attempts largely failed, as the consultants offered diverse

responses to the formalization and participation requests from London; some complied, some negotiated, while others resisted.

5.2. Complying with Power

The Canadian office was a 'one-woman band'. As one of the newest offices, it was 'headed' by Susan, an experience consultant. Compared to the bulk of work in Europe and the US, the Canadian market was seen as strategically less important by many consultants in the organization, including Susan herself. Its main function was as a satellite of the US office – carry out work for the US office during busy times, and carry out 'experimental' services which were offered provided in Europe in Canada before they were rolled out to the US. Susan took a 'pro-active' approach in her communications. Not only was she an active user of the Intranet, she was also a regular participant in global conference calls (14 times out of 14 during the fieldwork period). Unlike most of her colleagues, Susan was prompt in updating case studies on the Intranet (usually on the next working day after the conclusion day of the project), contributed to each edition of the newsletters, and tended to be the first one to reply to group emails sent from London before her colleagues who were located in the same or similar time zone as London. Furthermore, Susan was also 'active' in communicating project progress with London. She copied a large number of emails to Melanie. During an interview, she revealed that the aim was to be 'visible' to Melanie, to remedy the 'damage' of being a less significant, emergent, and 'remote' office. To Susan, the 'Centre' needed to be impressed:

"I copy London in, most of my project emails. I think it's good to let them know what I'm doing. Here in Canada, we are not very big, not always on international assignments. So I want London and the partners to know that we're working."

5.3. Discounting Power

Susan's compliance with London was the exception rather than the rule. For others, London was to be 'listened to, sometimes'. Most of the consultants complied with London's requests selectively and tactfully negotiated their relations with the 'Centre'. Most of them had moderate usage of the Intranet; occasionally participated in the conference calls, and found the newsletters helpful in that they provided a channel to scoop recent news without much commitment. In addition, they used project-related emails to manoeuvre their social distance from London.

My data on this aspect started with the use of the Intranet. Most consultants commented that the Intranet lacked rich content and timely information. According to my survey, the most accessed part of the Intranet was the personal profiles. Yet even this confined use was found to be unsatisfactory among most consultants. A Dutch associate, for instance, commented:

"The content is very limited. I think the Intranet should be a content site. It's OK that now if I want to talk to someone, I'll just look at the Intranet and find their phone number. But that is information, that's not what I call content."

The profiles on the Intranet were managed by Melanie but contributed by the individual consultants. As with their reluctance in reporting recent projects, they were also less committed to updating personal profiles. Some profiles ran no more than a couple of key words on specialisation and the contact information. This, according to some consultants, explained why they were not keen to use the Intranet. For instance, one remarked:

"The problem with the information on my colleagues is that it needs to be updated. The Intranet is a database, it gives you something you're looking for, but we would need a phone call to assure that. In the database, it's general information. You would need more, more information, for example, the industry might be completely different, we need to be more customer-focused, we need to be more precise on the Intranet."

Some remedied this 'lack of information' on the Intranet with social contacts:

"The disadvantage of the Intranet is that you have to use it...creatively. I mean, when someone has done a project, it's very likely that it's not there. But still, you know someone must have done this sort of thing before. Then, I'll tap into my relations, and ask one or more people I know, not using the Intranet."

For others, this profile information was largely redundant; they had better means of securing timely and accurate information:

"Oh, yes, I use the Intranet for profiles, but to be honest, when you know the people, you know who to ask. The initiation of these dialogues is very classic - emails. I don't use the Intranet very much, though it could be a 'knowledge platform', it's not there yet."

The consultants' involvement with the Intranet seemed to be trapped in the circle of 'not-using and not participating'. It was similar with the use of conference calls – most of them attended the calls half-heartedly, as one comment suggested:

"These conference calls last an hour or so. Normally the chair is giving some introduction and information, and then every company, each has something to say, the French, the German, the Italian, and everybody. I don't really have the incentive to listen to them all. Do you think anyone is seriously listening to the whole call? I don't know."

Some were concerned with the lack of in-depth information at the calls:

"The calls have (a) limited value in sharing information; every country can tell what they have done, what problems they have. If that's the quality of the conference call, it's ok. But you want to know more about it. You call them afterwards, but that's my approach."

Some complained about the passivity present in the calls:

"Getting together on the phone and have nothing in common to say is not value for time. There's too much, passiveness (sic) in the telephone conferences."

While according to others, conference calls should not take this 'blanket-bombing' approach, but should be organised only within project teams:

"I don't phone in for the conference calls. No, I don't take part. I interact with a selective group of people in the network, When we had projects, we used to talk on a regular basis... (Interviewer: ... that is, outside the

monthly conference calls?) Yes, it's for the project. As we currently don't have an ongoing project, I don't phone in on the conferences."

As regards copying Melanie in project emails, it seemed that the consultants not only selected the contents to be seen by London, but also carefully crafted the timing. Some used this to manage the expectations of London. For instance, one commented:

"Umm, we usually have deadlines, several deadlines on one project. I will copy emails to Melanie, a couple of days before the deadline? Yeah, a couple of days before; and she knows that when the deadline comes, I'll perhaps have done this, or more...(Interviewer: Why don't you copy Melanie in at other time?) Hmm, it's just small things, not worth mentioning."

Others timed this as a 'warm-up' for their forthcoming face-to-face meetings at London:

"[e]very now and then, I will copy Maria in the emails, especially when I'm scheduling some meetings in Europe, so that in Maria's head, I'm around, not just a castaway."

In summary, most people's connection with London seemed to be some sort of detached attachment – complying with some requests by London yet attempting to retain a sense of autonomy.

5.4. Resisting Power

As with the case with Susan, another extreme case was with Katherine, a senior consultant and the only consultant based in London. Despite sharing an office with the 'Centre', Katherine mostly worked off site, either with clients or from home. Like other consultants of the organization, most interactions between Katherine and the 'central office' were via ICT. As a founding member of the organization, Katherine saw herself 'very much as a freelance working with great friends'. On several occasions, she commented that it was the identity of 'being a consultant', rather than a Beta member, that directed her work and interaction with the 'Centre'. Beta's advantage, in Katherine's view, is precisely in its lack of 'bureaucracy':

"The way Beta works is to get rid of the 'backpackers', I mean, admin (administration) and the junior consultants, in large consulting companies. Beta consultants work at the senior level only. In exceptional cases, when I need support, my colleagues abroad are always very helpful."

It was perhaps not surprising that Katherine was not keen on using and updating the Intranet. During an interview, she commented about updating case studies:

"I'm not very good at doing the case studies, (laugh) I know that. At the moment, all my incentive is that Vale (Valentina, Melanie's assistant) makes me a nice cup of tea, and keeps staring at me every five minutes. (laugh) ...Suggestions for that? Well, have something simple, tick boxes, what I call 'one, two, three, and done' sort of thing."

Katherine did not participate in the monthly conference calls organized by Melanie, but when the need arose, she organized 'project calls'.

In contrast, the newsletters were the best way of communication for Katherine, for the relative lack of interference from the 'Central Office':

"With all respect to the conference calls, and the Intranet, I'd say the news mails are the most efficient thing to keep us connected....the good thing is that you can control the output. If something isn't relevant to you, skip it, so you have your own version of the news, so to speak. I think that's hugely beneficial, in that, you can identify your own 'gang', but also keep your ears open for something else."

Instead of relying on Melanie for key resources, such as financing or project assignment, Katherine was self-sufficient in initiating and managing international projects, thanks to her extensive contact network in- and out-side the organization.

"I would say that nine times out of ten, I got involved in international projects through Rob. But often I know where these all comes from before Rob emails me, I mean, I usually know who's doing what...Yes, from Melanie and Vale as well, but as I say, if there's something I'm interested in, I would have contacted the local consultants well before any, third party, so to speak, tells me about it...I do this by talking to my 'gang' once in a while, catch up...yes, sometimes I don't wait for the newsletters or the conference calls, I'm in touch with my own little network, so to speak."

On Melanie's project management, she remarked:

"Generally we're on track, without much pushing and whistling ... It could be, demoralising, if I'm rushing to a deadline, and all of a sudden receive an email from the project leader, saying that I should have done this and that, by tomorrow. We're consultants, deep at heart, we're rebels (laugh) – we have to work creatively, and we're usually very driven. Deadline management is important, but I just think it's essential to draw a line between attentiveness and pressure."

Katherine did not copy her project emails to Melanie unless it was 'absolutely necessary' to do so:

"Oh yes, I left a lot of things that I don't copy Melanie in. Well, if everyone copies everything to Melanie, how on earth could she cope?"

Well, the purpose of copying Melanie in my emails to other colleagues, is to give Melanie some flavour of the progress of the project, as this is important for her, central co-ordination. But unless it's about the critical timeline of those large-scale, critical projects, I think we generally rely on our own discretion."

From Melanie's assertion of power, to the compliance, negotiation, and resistance from the consultants, Beta displayed a variety of power relations. Table 1. is a brief summary of the data.

Table 1. Types of Power in the Case

<u>What?</u>	<u>Who?</u>	<u>Where?</u>	<u>How?</u>
Assertion	Melanie	At the 'Centre'	Establishing 'infrastructure': <ul style="list-style-type: none"> - Intranet - Conference calls - Newsletters - Project management
Compliance	Susan	Canada office (small, new, and 'remote')	Copying May in all of her emails; To say 'we are working'
Discounting	Most members	At dispersed local offices	Use the Intranet 'creatively'; Passivity in participating conference calls; Selective report of information; Punctuated presence to London
Resistance	Katherine	London office (as a founding member of the organization)	Self-sufficient in initiating new projects; Organize own conference calls in her 'gangs'; Found using Intranet over- complicated; Found May's request for emails a pressure; Leave May out of most emails unless they concerned critical deadlines.

6. DISCUSSION

Born Global organizations would not have emerged without the advancement of ICT. In this case, we saw a typical Born Global that adhered to the common realities found in small businesses. How has this facilitated or hindered their management? Regarding Born Globals in particular, how did they untangle the challenge of 'smallness', 'newness', and 'foreignness' in their daily operation via ICT? As a

grounded study, the initial aim of the fieldwork was not to explore power, but to understand the innovative management often found in Born Global organizations. With the progress of fieldwork, however, more and more data illuminate the power relations between Melanie and her dispersed colleagues. The concept of 'power' seemed to be particularly helpful in making sense of the data. But why power? Are there not any concepts and theories that 'captured' the spirit of the data? What does 'power' tell us about managing Born Global organizations? In what follows, we will first report my thinking in ruling out alternative theories, then elaborate on power in this case.

6.1. Why Power?

Several alternatives came to mind when analyzing the data, including Impression Management (Goffman, 1959), Leadership, task and structural mismatch, and boundaries such as location, time zone, cultural diversity, and professional background. None of these, it seems, fully corresponded with the data. Impression Management and Leadership seemed to help illuminate part of the data. The consultants' tactful use of ICTs may be seen as attempts to establish and maintain impressions that are congruent with the perceptions that they wanted to convey to their 'Centre' in London, or acts of 'impression management'. Yet this concept alone failed to account for the actions of their perceived audience – Melanie – and her efforts in deliberately shaping and developing the 'drama'. In contrast, Leadership, broadly defined as 'influence exerted...over other people to guide, structure, and facilitate relationships in a group' (Yukl, 1998: 3), seemed to keep too much focus on Melanie at the expense of accounting for how the consultants' actions influenced her 'leadership' style. Furthermore, none of the consultants referred to Melanie as their 'leader'. It seemed overstressing if we, the researchers, make unfounded judgment on whether Melanie could count as a 'leader'. Either 'impression management' or 'leadership' would tell only half of the story. A third 'rival hypothesis' was the mismatch between the 'natural' work process which was implicitly accepted in the organization and the communication structure imposed by Melanie. This notion of 'structural misfit', though found in the data, was not central. The consultants readily acknowledged that the structure Melanie introduced was necessary. It was in the implementation that consultants found it important to negotiate their power relationship with the 'Centre'. In addition, the structure Melanie introduced was not uncommon. Similar mechanisms were found in other cases of Born Global organizations. It would be difficult to conceive an international organization, small though it is, surviving without any centralization and formalization. Even in temporary, largely self-governed project teams, 'it would be prudent to have regular and structured project status and performance reviews' (Lee-Kelley, 2006: 242), as Melanie was trying to do. It is not our intention to justify the structure Melanie put in place. Rather, the point is that focusing on the structural mismatch would lead to a 'non-through road', where the only solution is to go back and try another way. Finally, could the interactions in the case be attributed to the dispersion of the consultants, the lack of frequent face-to-face interactions with London, and/or the diversity in their social, cultural, and professional backgrounds? Setting aside the fallacy that individuals are 'representatives' of their society, culture, or profession, the small number of individuals in this case made it necessary to explore relations between individuals, rather than between sub-groups. The spatial and temporal distances and the problems arising from 'lean' communications (e.g. DeSanctis & Monge, 1999; Cramton, 2001; Kiesler and Cummings, 2002; Gibson and Cohen, 2003, Sproull and Kiesler, 1986) were not salient in the data.

Ruling out alternative concepts, we came to focus on the notion of 'power', which seemed to encapsulate the interactions between Melanie and her colleagues, underlying both issues of impression management and leadership, and having the potential to shed light on understanding the 'alternative governance structure' of Born Global organizations.

6.2. Power in the Case

In this case, Melanie's **assertion** of power was met with **compliance**, **negotiation**, and **resistance**. How is this power distinctive from that in traditional organizational settings? In what follows, we will focus on two aspects of power in the case – its articulation and negotiation.

First, power in the case was articulated in a rather 'under-handed' way, in both 'power over' and 'power to'. Melanie did not assert her power by upholding or withdrawing key resources such as finance or manpower, neither did she directly attempt to define or promote a shared identity across the organization. Instead, Melanie's actions revolved around setting up procedures, behavioral norms, and regulations via ICTs and requesting virtual presence from the consultants. Her power soon seemed to come to its limit when the consultants overlooked the procedures and negotiated their virtual presence. For the consultants, the articulation of their powers was also subtle. None of them withdrew scarce resources, notably, their knowledge and expertise, nor did most of them (except Kathleen) mention any alternative identity that intervened with their identification with the 'Centre' in London. Like Melanie, they mainly articulated their power through virtual presence and absence.

Similarly, virtual presence and absence were central in the negotiation of power. Some used virtual presence to enhance their link with London, some punctuated their presence, while others minimized their presence to indicate social distance from London. The virtual presence in relation to Melanie may be seen as less about exchange of information and knowledge than the manipulation of social relations. In other words, the contents of the emails were less important than their frequency and timing. Like the articulation of power, no direct reference was made to the scarce resources they held, notably their knowledge and expertise. Neither did the consultants cite any lack of shared identity as an explanation of their negotiation of power with Melanie. The exception was Katherine, who mentioned her professional identity as a reason for rejecting Melanie's requests. This, however, does not support the notion of 'power to' as conceptualized in the literature. It has been suggested that individuals often have several congruent or competing identities (e.g. Alvesson and Willmott, 2002). While Kathleen asserted her identity as a 'rebel', this does not indicate that the power relations surrounded identity management at the collective level.

The power in this case, mediated by ICT, seemed to reflect neither 'power over' nor 'power to'. Then how to conceptualize power in this Born Global organization? We readily acknowledge that any theorization based on one case study has its limitations (this will be further elaborated later), but this case was nonetheless helpful in shedding light on power relations in an emergent and innovative form of small organization that needs to balance smallness, newness and foreignness simultaneously. Power in the case did not seem to be based on possession and access to scarce resource, as in 'power over'. Indeed, it was difficult to identify what constituted scarce resources. Did these include finance, manpower, and project knowledge possessed by Melanie, or knowledge and expertise possessed by the

consultants? Indeed, all these may count as scarce resources in my view. As with the geographic dispersion of the organization, its scarce resources were distributed across the locations and resided with individual members as well as the 'Centre'.

In terms of 'power to', it is clear that there was no attempt from the 'Centre' to establish and maintain a shared identity. From the only comment on identity made by Katherine, it may also be inferred that there was probably a lack of organizational identity in Beta, let alone power relations based on identity management. Instead of 'power over' and 'power to', we would like to coin the term 'power with' to illustrate the power relations in the case. Unlike 'power over' and 'power to', 'power with' assumes a network relation among individuals, where there is no salient distinction between 'centre' and 'peripheries'. Power is not based around possession of scarce resources, nor definition and management of shared organizational identity. Instead, 'power with' is distributed among individuals, not necessarily evenly, and subject to ongoing negotiations between them, as we have seen from the Beta case. Much remains to be explored about the notion of 'power with', as will be elaborated below. But for now, it is important to conceptualize power as 'power with' to capture the negotiated and distributed nature of power that resides in neither scarce resources nor identity management as found in this case.

7. CONCLUSIONS, LIMITATIONS, AND FURTHER RESEARCH

Based on an emergent and innovative form of small business, this study was an initial step in exploring power relationships which were primarily exercised via ICT. Drawing upon the traditional concepts of 'power over' and 'power to', it suggested a new concept of 'power with' to encapsulate the subtle, negotiated, and distributed power relations found in this case study. There are several limitations in this study. First, it was a single case study that involved a small number of individuals. Data from this site might appear 'simple' compared with fieldwork that involved multiple cases and large number of participants. The conclusion from the study is necessarily limited in scope and further investigations are needed to enrich our understanding of 'power with'. But as a 'typical' Born Global organization, Beta has provided an interesting site to unveil the power relations in a new form of small business, enabled and facilitated by ICT. Second, there are many other concepts closely linked with power, such as 'control', 'coordination', 'collaboration', just to name a few. This paper focused on power as it underlies the other concepts and constitutes a fundamental social relation (Clegg et al., 2006). But it was also found that 'power' was an overarching, and indeed broad, concept. With the notion of 'power with', further studies on the related 'sub-concepts' of power, would be useful in enriching our understanding of how technology transforms social relations in Small and Medium-sized Enterprises.

The contribution of our study is mainly three-fold. First, it investigated a new form of small organization in the 'Internet Era', the Born Globals. Given its smallness, newness and globalness, Born Globals pose new management challenges not faced by large organizations, nor traditional domestic small businesses. While much research is currently focusing on the internationalization process of Born Globals, in the study, the 'black box' of its organization and internal social relations were explored. Second, thanks to the small size of the organization, this study explored power relations at the micro – individual – level. This complements current studies on power that are mostly at organizational, group, or national levels (Clegg et al., 2006). Finally, we proposed the notion of 'power with'. Although this was only an initial study of its kind on power relations in a new organizational setting, we hope this notion of 'power with' will facilitate our quest to understand power, particularly

in new and emergent organizational forms. Much remains to be explored on how information technology shapes and re-shapes SMEs. Putting Born Global organizations directly in the spot light, this paper hopefully takes an initial step in untangling the interplay between power, ICT, and innovative management in emergent organization forms.

References

- Allen, D., Colligan, D., Finnie, A., and Kern, T. (2000). Trust, Power and Inter-Organizational Information Systems: the Case of the Electronic Trading Community TransLease, *Information Systems Journal* (10), 21-40.
- Alvesson, M. and Willmott, H. (2002) Identity Regulation as Organizational Control: Producing the Appropriate Individual. *Journal of Management Studies*, 39(5), 619-644.
- Bartlett, C. and Ghoshal, S. (1989) *Managing across Borders: The Transnational Solution*, (2nd ed.) Boston: Harvard Business School Press.
- Bell, J. (1995) The Internationalization of Small Computer Software Firms: A Further Challenge to 'Stage' Theories, *European Journal of Marketing*, 29(8), 60-75.
- Blau, P. (1964). *Exchange and Power in Social Life*. New York: Wiley.
- Bloomfield, B. P., and Coombs, R. (1992). Information Technology, Control and Power: The Centralization and Decentralization Debate Revisited, *Journal of Management Studies* 29 (4), 459-484.
- Brocklehurst, M. (2001). Power, Identity and New Technology Homework: Implications for 'New Forms' of Organizing", *Organization Studies*, 22 (3), 445-466.
- Clegg, S. R., Courpasson, D. and Phillips, N. (2006). *Power and Organization*, London: SAGE.
- Cramton, C. (2001). The Mutual Knowledge Problem and its Consequences for Dispersed Collaboration, *Organization Science*, 12 (3), 346-371.
- Dahl, R. A. (1957). The Concept of Power, *Behavioral Science* (2), 201-216.
- DeSanctis, G. and Monge, P. (1999) Introduction to the Special Issue: Communication Processes for Virtual Organization, *Organization Science*, 10, 693-703
- Gibson, C. and Cohen, S. (2003) *Virtual Teams that Work: Creating Conditions for Virtual Team Effectiveness*, San Francisco: Jossey-Bass.
- Glaser, B. and Strauss, A. (1967). *The Discovery of Grounded Theory*, Chicago: Aldine.
- Goffman, E. (1959). *The Presentation of Self in Everyday Life*. Doubleday.
- Kaplan, A. (1964). Power in Perspective, in *Power and conflict in organizations*, R. L. Kahn and E. Boulding (eds.), London: Tavistock.
- Karra, N. and Philips, N. (2004) Entrepreneurship Goes Global, *Ivey Business Journal*, 69(2), 1-6.
- Kiesler, S. and Cummings, J. N. (2002) What do We Know about Proximity and Distance in Work Groups? A Legacy of Research, In: Hinds, P. J. and Kiesler, S. (ed.) *Distributed Work*, Cambridge, MA: MIT Press.
- Lee-Kelley, L. (2006). Locus of Control and Attitudes to Working in Virtual Teams", *International Journal of Project Management*, 24 (4), 234-243
- Lukes, S. (1974). *Power: A Radical View*, London: Macmillan.
- McDougall, P. and Oviatt, B. (2003) Some Fundamental Issues in International Entrepreneurship, available online at: www.usasbe.org/knowledge/whitepapers/mcdougall2003.pdf, accessed 15 October 2008.

- Oviatt, B. and McDougall, P. (1994) Toward a Theory of International New Ventures, *Journal of International Business Studies*, 25(1), 45-64.
- Rassingham, P. (1999). Risks in Low Trust among Trading Partners in Electronic Commerce, *Internet Research: Electronic Networking Applications and Policy*, 10 (1), 56-62.
- Rennie, M. (1993) Global Competitiveness: Born Global, *The McKinsey Quarterly*, 4, 45-52.
- Servais, P. and Rasmussen, E. S. (2000) Different Types of International New Ventures, *Academy of International Business Annual Meeting*, Phoenix, AZ, USA, 1-27.
- Sharma, D. and Blomstermo, A. (2003) The Internationalisation Process of Born Globals: A Network View, *International Business Review*, 12, 739-53.
- Simon, B. and Oakes, P. (2006). Beyond Dependence: An Identity Approach to Social Power and Domination, *Human Relations* 59 (1), 105-139.
- Sproull, L. and Kiesler, S. (1986) Reducing Social Context Cues: Electronic Mail in Organizational Communication, *Management Science*, 32(11), 1492-1512.
- Webber, M. (1947). *The Theory of Social and Economic Organization*, New York: Free Press.
- Yukl, G. (1998) Managerial Leadership: A Review of Theory and Research, *Journal of Leadership and Organizational Studies*, 4 (3), 110 - 125.
- Zahra, S. (2005) A Theory of International New Ventures: A Decade of Research, *Journal of International Business Studies*, 36, 20-28.