

When Both Differences and Dependencies Matter: Toward an Effective Interaction Perspective on Issue-selling

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ABSTRACT

Issue-selling within enterprise groups is an initiative strategic behavior by which subsidiary managers bring about the fit between the organization and its environment. The paper aims to explore which determinants are in the success equation of issue-selling. The answer would help enterprise groups better facilitate and exploit potentially valuable input from subsidiaries, and then contribute to shaping organizational adaptation. From the perspective of effective interaction, we propose that differences and dependencies between managers from subsidiaries and headquarters both influence issue-selling effectiveness, which can be indicated by headquarters attention devoted to an issue. And these relationships are partially mediated by two characteristics of issues themselves: novelty and legitimacy. Taking this perspective extends current research by emphasizing the interaction attribute of issue-selling and issue's function as a bridge to knowledge transfer in this interaction, which are crucial for effective interaction but hitherto have not been given full consideration.

Keywords: Issue-selling, Differences and dependencies, Novelty and legitimacy, Headquarters attention

1. INTRODUCTION

Issue-selling in enterprise groups by subsidiary managers contributes significantly to organizational adaptation to environment. The suggestion is in line with Dutton and his colleagues' organizational-instrumental logic for the importance of issue-selling. They argued that issue-selling is a mechanism that prompts top management to set an organizational strategic agenda (J.E. Dutton and Jackson, 1987) that they might not otherwise noticed, and then initiate organizational action (J. E. Dutton and Ashford, 1993). In turn, headquarters attention, which is the most direct outcome of subsidiary managers' issue-selling efforts, is a "softer" mechanism of reputation management and knowledge diffusion that helps subsidiary units to unfold their potential (Ambos and Birkinshaw, 2010).

Two reasons are recognized for the critical role of subsidiary managers' issue-selling to organizational adaptation. First, the latest information about the market, consumers, and technologies necessary to increase organizational flexibility often lies within subsidiaries whose managers act as the boundary spanners between

the subsidiary, the headquarters, and often the other units of the groups (Vora *et al.*, 2007). Although top managers from headquarters might develop their own initiatives to renew their organization, many have implemented initiatives that become part of the firm's strategy originate from managers at ranks below top management (De Clercq *et al.*, 2011; Ren and Guo, 2011). Owing to their deep involvement in the internal and external networks of enterprise groups, subsidiary managers access information in a more timely fashion, and have wider sources. Thus, issue-selling by subsidiary managers is necessary to help top management focus on strategic issues that they might have ignored due to their limited attention (Ocasio, 1997, 2011) and dominant logic.

Second, organizational adaptation of enterprise groups can be highly improved through extensive interactions between managers from subsidiaries and headquarters. Issue-selling can be viewed as a vertical integrating mechanism comprising various types of contact and communication between managers from subsidiaries and headquarters, which is one of the social control methods for subsidiary management (O'Donnell, 2000). By effective issue-selling interactions, headquarters managers can implement interactive control to increase subsidiary managers' identification with corporate goals and values, and facilitate them better understand and perform their duties in meeting those goals (O'Donnell, 2000).

Although the intention and behaviors of issue sellers have been extensively studied, much less is known about how to interact effectively between issue sellers and recipients. In the context of enterprise groups, managers from headquarters and subsidiaries are two groups with specialized resource and differentiated meanings, interests, and norms (Howard-Grenville, 2007; O'Donnell, 2000). Differences and dependencies are identified as two characteristics that must be addressed for groups across organizational boundaries to interact effectively (Carlile, 2004). Differences stem from sellers' and recipients' specialized knowledge, the internal or external requirements demanded of their work, and the associated criteria they use to evaluate it. Dependencies capture the extent to which one group depends on another group's expertise, knowledge, or work output to accomplish its work (Carlile, 2004; Howard-Grenville, 2007). Based on qualitative data, Howard-Grenville (2007) states that effective issue-selling reveals both differences and dependencies during interaction. Thus, the paper draws on this effective interaction perspective and proposes a model to explain: *how differences and dependencies between managers from headquarters and subsidiaries influence headquarters attention?*

In this study, we draw upon Howard-Grenville's (2007) suggestion to identify differences and dependencies as two indispensable relational characteristics of sellers-recipients relationships for issue-selling interactions. Meanwhile, issues themselves act as bridges for knowledge transfer between managers from headquarters and subsidiaries in issue-selling interactions. Integrating these views, we propose that differences and dependencies between managers from headquarters and subsidiaries influence headquarters attention received by an issue through two specific issue characteristics: novelty and legitimacy. More specifically, difference between sellers and recipients has an indirect, inverted U-shaped relationship, via novelty of an issue, with headquarters attention. A similar interpretation is applicable to the mediating role of legitimacy of an issue to the relationship between dependence and headquarters attention.

Overall, we contribute to issue-selling theory and research by revealing specific issue characteristics (i.e. novelty and legitimacy) as well as identifying two relational drivers (i.e. difference and dependence) for effective issue-selling interactions. In

developing our model, we begin with a brief retrospect and review of previous research on issue-selling, including antecedences and consequences of issue-selling intentions, moves, and effectiveness. Furthermore, we examine the theoretical research gap and then propose our effective interaction view on issue-selling effectiveness. Finally, we conclude with a discussion on the contributions of the study and as well as directions for future research.

2. THEORETICAL BACKGROUND

Issue-selling is the process by which individuals affect the others' attention to and understanding of events, developments, and trends that have implications for organizational performance (J. E. Dutton and Ashford, 1993). An extensive literature on issue-selling shows that individuals can shape the strategic actions of organization by directing the attention of others to particular issues (Ashford *et al.*, 1998; J. E. Dutton and Ashford, 1993; J. E. Dutton *et al.*, 2002; J. E. Dutton *et al.*, 2001). For example, issue-selling has been identified as a critical activity in the early stages of organizational decision-making processes (J. E. Dutton and Ashford, 1993), such as a more general process of change (J. E. Dutton *et al.*, 2001). Furthermore, it has also been identified as a proactive strategic behavior aimed at producing the fit between the organization and its environment (Parker and Collins, 2010).

In summary, extensive examples of issue-selling literature (Ashford *et al.*, 1998; J. E. Dutton and Ashford, 1993; J. E. Dutton *et al.*, 2002; J. E. Dutton *et al.*, 2001; Howard-Grenville, 2007; Ling *et al.*, 2005) offer critical insights into how individuals outside of top management teams (e.g., middle managers or subsidiary managers) contribute to organizational decision making by directing the top management attention to particular issues. However, this also leaves some important questions unanswered.

First, these studies have not devoted much attention to issue-selling effectiveness relative to selling intention and strategies. Decision makers' attention to an issue is the chief bottleneck in organizational activity (Simon, 1973). It is attention that affects strategic choice of executives and attention change is a precondition for organizational strategic change (Cho and Hambrick, 2006). Thus, only effective issue-selling attempts could have a chance to promote organizational change with environment and then shape organizational adaptation.

Second, although discussions occurred, as Howard-Grenville (2007) proposed, that effective issue-selling reveal both differences and dependencies during interaction between issue sellers and recipients. Emphasis has been mostly placed on *similarity or familiarity* (the result of dependencies) between them. These factors are the accumulation of contextual knowledge, improvement of relationship quality (J. E. Dutton *et al.*, 2001; Howard-Grenville, 2007; Ling *et al.*, 2005), and employment of parent-company nationals subsidiary managers (Gammelgaard, 2009), which all contribute to increase the similarity or familiarity between the two parties of issue-selling. These scholars have ignored the differences between the two groups, which are necessary resources bringing about novelty of an issue to improve selling effectiveness (J. E. Dutton and Ashford, 1993; Howard-Grenville, 2007).

Third, Dutton and Ashford (1993) suggested that sellers would be more successful to the extent that they sold their issues as strategically important, but little attention has been given to issues themselves, which explains a major part of issue-selling effectiveness during selling interaction. Studies have indicated that variation in initiative characteristics (varying importance to or consistency with the organizational strategy and practices) may drive different intensity of selling efforts (De Clercq *et al.*,

2011). Nevertheless, no studies have explored whether a causal relationship between issue characteristics and probability of selling success. Most research in this stream focuses on single issue such as gender equality or environmental considerations (Ashford *et al.*, 1998; Howard-Grenville, 2007) as being one of the possible reasons. However, if discussions are expanded to the comparative studies of different issues, considering how issue-selling success may be contingent on issue characteristics is critical.

Before discussing our effective interaction view, we first provide a research overview (Figure 1) of antecedences and consequences suggested in prior literature of issue-selling intention, moves, and effectiveness.

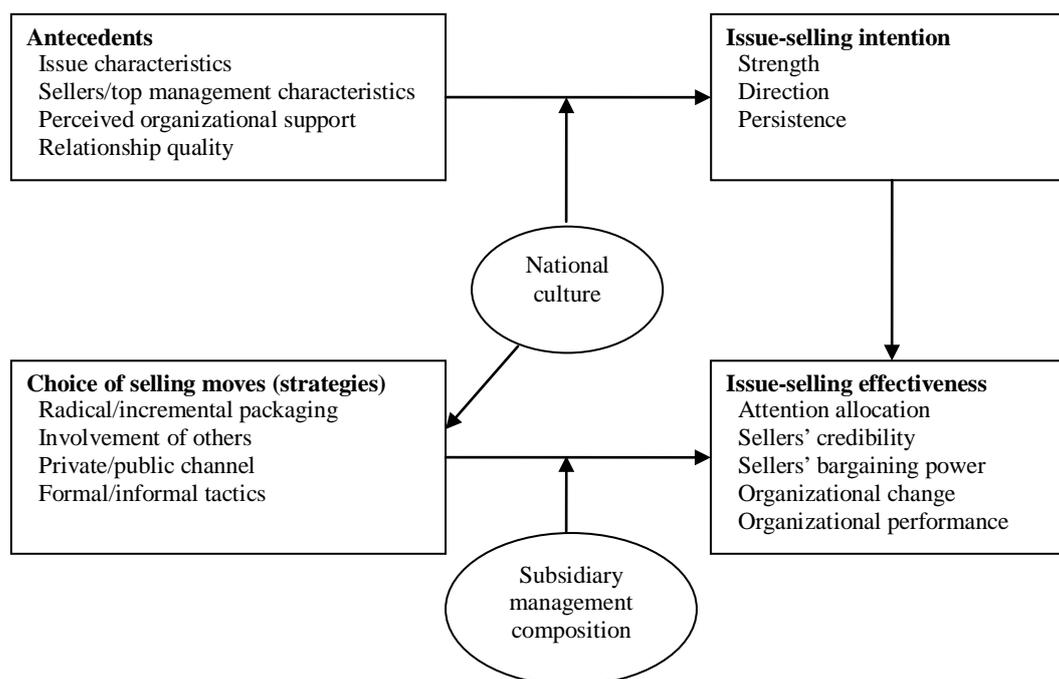


Figure 1 Research overview of issue-selling

2.1 Issue-selling intention

Potential issue sellers often feel ambivalent about whether to sell issues to higher-level management (J. E. Dutton and Ashford, 1993). This occurs because issue-selling is a “double-edged sword”: it will not only yields benefits but also costs for both sellers and their organizations. An impression management lens highlights the fact that issue-selling is a behavior that individuals exhibit to control the images formed of them by others (J. E. Dutton and Ashford, 1993). However, sellers may take a risk of being negatively appraised by others (e.g., as naive or radical), and even their credibility within the corporation may be harmed if the issue produces negative outcomes for organization. In accordance with expectancy theory, the willingness of sellers to sell an issue is related to their beliefs that such selling efforts will be successful, as well as the interests that they or their organization will benefit from the issue (De Clercq *et al.*, 2011; J. E. Dutton and Ashford, 1993). Therefore, perceived characteristics of the issue is the first factor that influences sellers’ willingness to sell.

Moreover, the characteristics of issue sellers and top management also influence individuals’ motivation to sell issues. The initiation of issue-selling is more likely when sellers are located in central positions in organization’s or department’s communication network, with few transaction alternatives and access to the

communication network of the dominant coalition (J. E. Dutton and Ashford, 1993). Except for potential sellers' structural location, their contextual knowledge (i.e., relational knowledge, normative knowledge and strategic knowledge) contributes to enhancing their anticipation that the issue will be adopted, and thereby strengthening their selling willingness (J. E. Dutton *et al.*, 2001). The initiation of issue-selling is more frequent when top management is perceived as more supportive and open (J. E. Dutton and Ashford, 1993). When people perceive that their superiors are open to new ideas, it suggests that they will be more likely to sell their ideas. However, research conclusions on this point are inconsistent. Through qualitative study, Dutton *et al.* (1997) found that top management's willingness to listen was one of the most often mentioned contributors to managers' selling intention, but two quantitative studies (Ashford *et al.*, 1998; J. E. Dutton *et al.*, 2002) found no support for the influence of top management's openness.

Perceived organizational support and relationship quality between potential issue-sellers and recipients are the two contextual cues of particular importance in managers' decisions to sell (Ashford *et al.*, 1998; J. E. Dutton *et al.*, 2001). The former means the extent to which the organization is believed to identify employees' issue-selling behavior (Ling *et al.*, 2005). This perceived support includes both formal support (e.g., a mechanism that ties managers' compensation or promotion to their issue-selling behavior) and informal support (e.g., an organizational culture supporting issue-selling). Such supports provide a degree of psychological safety, and they may even create incentives for issue-selling (Ling *et al.*, 2005). In addition, when the relationship between interaction groups is perceived as trusting and friendly, it contributes to a sense of security. This strengthens potential sellers' belief that selling attempts will receive serious consideration, which in turn promotes an intention to sell. Furthermore, variables such as national cultures would moderate the relationship between contextual cues and selling intention (Ling *et al.*, 2005).

In conclusion, most scholars discuss the strength of selling willingness. Furthermore, other literature concerns the selling intention's direction, such as Clercq and his colleagues (2011), who undertook a post-hoc analysis in upward, lateral, and downward selling efforts. Other researchers studied persistence, including Howard-Grenville (2007), who found that the seller's stock of potential assets of formal authority, relationships, expertise, and normative knowledge would be increased over time, thus strengthening the seller's intention to sell.

2.2 Issue-selling moves

Once the issue-selling decision is made, sellers must then decide how to approach the selling process, that is, sellers must make choices with respect to issue-selling moves. Extant research shows that selling moves primarily comprise four basic dimensions. The first is packaging, which refers to how an issue is linguistically framed or presented (J. E. Dutton and Ashford, 1993). Dutton *et al.* (2001) noted that sellers articulated issues as either radical or incremental. This incremental packaging indicates the packaging of an issue using a step-by-step process, which involves presenting different aspects of the issue one piece at a time until the complete story is told (J. E. Dutton *et al.*, 2001). Radical packaging is presumed to inject urgency into the issue, which helps to elicit attention towards the issue (Ling *et al.*, 2005). However, it may also make an issue less consistent with organization existing practices or targets, thus hindering top managers' acceptance.

Issue-selling success is dependent not only on issue packaging, but also on the choices of the sellers regarding how to sell an issue. One choice is whether to conduct

the selling process solo or to involve others in the effort (J. E. Dutton and Ashford, 1993; J. E. Dutton *et al.*, 2001). In the studies of Dutton and his colleagues, seeking support from others (e.g., others at upper level, at the same level, or outside the organization) is a successful upward influence strategy. Thus, the more issue sellers bring others to help sell their issue, the greater amount of top management's attention is allocated to the issue. However, this also results in the lower likelihood of change in the sellers' credibility for future selling attempts.

Another choice is the selling channels, which may be public or private. Public channels, such as weekly staff meetings, monthly strategy meetings, and annual stockholder meetings (J. E. Dutton and Ashford, 1993), provide a source of organizational legitimacy, thus increasing the likelihood for the issue to be heard. However, the seller's credibility will be affected more by the public selling attempt due to impression management pressures (J. E. Dutton *et al.*, 2001; Ling *et al.*, 2005). However, private channels, such as private meetings with one or a few relevant top managers, or one-on-one appeals to the seller's boss (J. E. Dutton and Ashford, 1993), may contribute to relationship building between the parent company and its subsidiaries, and then promote issue-selling effectiveness of subsidiary managers (Gammelgaard, 2009).

The last issue-selling strategy is the choice that sellers have regarding the formality of their selling attempts (J. E. Dutton and Ashford, 1993). In other words, the last strategy is whether the sellers use official processes and procedures (Ling *et al.*, 2005). Formal tactics might involve generating a formal report or making a scheduled formal presentation to top management, whereas informal tactics might contain personal appeals, behind the scenes negotiations, or discussions in halls (J. E. Dutton and Ashford, 1993). Dutton *et al.* (1993) proposed that the effectiveness formal versus informal issue-selling often depend on the fit between the formality of selling effort and prevailing organizational norms. Issue-selling moves, to a certain extent, would contribute to alleviate inherent weakness of issue characteristics. Most sellers will use multiple moves to direct attention to their desired issues. However, as scholars argued, subsidiary managers socialized by different national cultures vary in their choice of selling moves (Ling *et al.*, 2005).

2.3 Issue-selling effectiveness

Issue-selling effectiveness may be direct (such as the effect to issue sellers, attention allocation of top management) or indirect (such as the influence to organizational strategy agenda, organizational change, or performance). Dutton *et al.* (1993) suggested that two major issue-selling success indicators exist. One is the amount of time and attention top management devotes to an issue, and the other involves increases or decreases in a seller's credibility. Moreover, sellers' attachments to issues even have career consequences (J. E. Dutton and Ashford, 1993). Within a multinational corporation (MNC), the issue-selling strategy of subsidiaries has positive effect on its bargaining power and then increases its intrafirm competition in the MNC. Furthermore, the subsidiary management composition (i.e., subsidiary managed by parent-company nationals or host-country nationals) plays a moderate role in this process (Gammelgaard, 2009).

On the other hand, one of indirect effectiveness of issue-selling embodies in initiating or constraining organizational strategy agenda (J. E. Dutton and Ashford, 1993; Howard-Grenville, 2007). Agenda issues then may facilitate organizational change and shape organizational adaptation (Bishop *et al.*, 2011; J. E. Dutton and Ashford, 1993; J. E. Dutton *et al.*, 2001). Moreover, subsidiary initiative is necessary

to allow the subsidiary to move from a low contributory role to a higher role (Cavanagh and Freeman, 2012), thus contributing to subsidiary's strategic importance and bargaining power within corporate groups. In our discussion, emphasis is placed on the attention allocation of headquarters management to an issue, which is the most direct output of issue-selling and as well as a necessary precursor to top management's action on the issue (J. E. Dutton and Ashford, 1993).

3. CONCEPTUAL MODEL OF EFFECTIVE INTERACTION

Scholars espouse the accuracy of portraying an organization as a pluralistic marketplace of ideas in which issues are "sold" via the persuasive efforts of middle managers and "bought" by top managers (J. E. Dutton *et al.*, 2001). In enterprise groups, issue sellers and purchasers are subsidiaries and headquarters managers, respectively. Thus, issue-selling behavior in enterprise group is actually an interaction process of the two parties across organizational boundaries. For the sake of efficient interaction, these two entities must take both following characteristics into consideration: difference and dependence (Carlile, 2004). Difference without dependence risks issues becoming excessively obtuse; dependence without difference could result in issues failing to address novel requirements. Moreover, as Howard-Grenville (2007) stated, attention to differences and dependencies between sellers and recipients brings greater specificity to understanding opportunities for and limitations of issue-selling.

Therefore, toward the perspective of effective interaction, our theoretical framework of issue-selling effectiveness (Figure 2) examines the role of both difference and dependence. The conceptual model can also be identified as a stage model, in which the issue-selling process is divided into two main phases: issue proposing by subsidiaries and issue evaluating by headquarters. Difference and dependence are important throughout the entire selling process. To be specific, the two relational determinants affect issues' endowment characteristics at proposing stage, and meanwhile, they also have an immediate impact on selling results at evaluating stage.

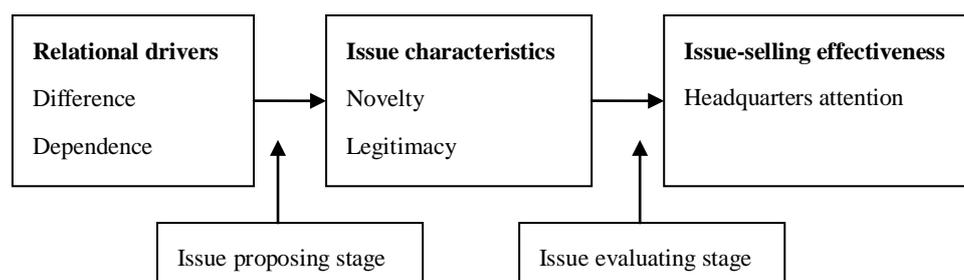


Figure 2 An effective interaction model of issue-selling

We clarify our distinction between issues with novelty and legitimacy before presenting the model at full length. Issues are usually defined as the problems, opportunities, and threats that comprise the available repertoire of categories for understanding the environment (Ocasio, 1997), or events, developments, and trends that are critical to organizational performance (J. E. Dutton and Ashford, 1993). Managers identify issues as opportunity-distinctive, threat-distinctive, ambiguous, or neutral by matching issue characteristics to the attributes stored in their cognitive representations of each concept (Jackson and Dutton, 1988). For the purposes of this

study, we use the term “novel issues” (i.e., issues with novelty) to represent those issues that are new (innovative) or even rule-breaking to the organization (J. E. Dutton and Ashford, 1993; Plambeck and Weber, 2009), whereas “legitimate issues” (i.e., issues with legitimacy) indicates the ones that are desirable, proper, or appropriate within organization of norms, values, beliefs, and definitions (Suchman, 1995).

3.1 Difference considerations and mediating role of novelty

Differences between the two parties of issue-selling refer to diversities in the amount and type of knowledge accumulated (Carlile, 2004), and these in turn create differences in their cognitive frames, which are the ways people interpret, understand, and evaluate the word (Nooteboom, 2000). Such differences are suggested to stem from the internal or external requirements demanded of their work (Howard-Grenville, 2007), or diversities on managers’ demographic characteristics and experiences (Hambrick, 2007).

Difference is one necessary characteristic to be considered for effective interaction (Carlile, 2004). In the paper, we infer that difference between subsidiary and headquarters managers has both advantages and disadvantages for issue-selling effectiveness. First, difference can induce headquarters managers’ curiosity to subsidiary sellers and then their issues so that more discussion of issues occurs, as well as greater attention allocation. Furthermore, in a multiple-case study, Kauer et al. (2007) indicates that diversity of experience of top management team members affects the timing of agenda-setting and the generating of alternatives. To be specific, high diversity seems to be related to earlier agenda-setting and higher number of strategic alternatives (Kauer *et al.*, 2007).

Second, difference helps to attract executive attention to an issue by enhancing its novelty. In detail, difference between subsidiary and headquarters managers can lead to greater diversity of information sources and perspectives, which will prompt alleviation of corporate inertia and update of corporate dominant logic, and then promotes more creative or innovative issues (Christopher S Tuggle *et al.*, 2010). Thus, difference is associated with increased proposing of novelty issues. As Dutton (1993) noted, novelty value injects urgency into the issue, which will draw greater attention resources from top management. In addition, the newness of projects is found to be the most important factors that attracts decision makers’ attention at product development portfolio meetings (Bentzen *et al.*, 2011). However, at a certain point, difference becomes excessively large as to preclude sufficient mutual understanding needed for effective interaction. In other words, issues are useless if they are not new, but they are also useless if they are so new that they cannot be understood by top managers (Nooteboom, 2000). For these reasons, we propose:

Proposition 1: Up to a certain point, a higher level of difference between sellers and recipients is associated with greater headquarters attention; beyond that point, the association is negative. This inverted-U shaped effect is partially mediated by the novelty of an issue.

3.2 Dependence considerations and mediating role of legitimacy

Dependence, as Carlile proposed, is another necessary factor to be considered for effective interaction, which is defined as a condition where two entities must take each other into consideration if they are to meet their goals (Carlile, 2004). Issue-selling literature suggests that dependencies result from the constraints and affordances posed by the work of the sellers on that of the recipients

(Howard-Grenville, 2007). However, our view also suggests the opposite. Extended to the relationship between headquarters and subsidiaries, dependence or interdependence is conceptualized as the degree to which activities and outcomes at subsidiary affect or are affected by activities of other units within the enterprise groups (O'Donnell, 2000). The concept of interdependence has received considerable attention from scholars studying inter-organizational relations (Gulati and Sych, 2007). Two dimensions of organizational interdependence are distinguished: dependence asymmetry, which is the difference in actors' dependencies on each other, and joint dependence, which is the sum of dependence between actors in the relationship (Emerson, 1962). We focus on headquarters-subsidiary joint dependence, which is the sum of dependence between headquarters and subsidiary involved in issue-selling.

Consistent with the effects of difference, joint dependence between headquarters and subsidiary is also a "double-edged sword" for effectiveness of issue-selling. On the one hand, joint dependence has a positive effect on attention attraction, and this effect is partially mediated by the legitimacy of issues. In the first place, as the embeddedness logic suggested, higher levels of joint dependence necessarily increase the depth of joint action, higher trust, and a more advantageous information exchange in the dyad (Gulati and Sych, 2007). Such frequent and high-quality communication will lead to a gradual accumulation of potential assets that sellers can use to facilitate the issue-selling process. These assets are relationships, expertise and contextual knowledge (J. E. Dutton *et al.*, 2001; Howard-Grenville, 2007). Furthermore, as highly dependent relations elevate actors' levels of identification with each other, their values, attitudes, norms, and objectives will tend to converge (Gulati and Sych, 2007), and these convergences increase the internal legitimization of the subsidiary concerned. In addition, dependence can engender high consensus among issue-selling members. These reasons all contribute to addressing the issues' legitimate requirements. Demonstrating the legitimacy value of an issue is critical for gaining attention (Ocasio, 1997). On the other hand, at a certain point, dependence could result that the issue proposed would fail to address the novel requirements by top managers (Howard-Grenville, 2007). Thus, an excessive level of dependence is associated with the loss of the novelty of issues, which hinders top management attention. This is stated formally as follows:

Proposition 2: Up to a certain point, the higher level of headquarters-subsidiary joint dependence is associated with greater headquarters attention; beyond that point, the association is negative. This inverted-U shaped effect is partially mediated by the legitimacy of an issue.

4. DISCUSSION

4.1 Implications

This study makes several contributions to existing literature on issue-selling and subsidiary managers' initiative in shaping organizational adaptation. First, we construct our theoretical model toward such an effective interaction perspective that differences and dependencies are both taken into account. We argue that the two relational determinants are both necessary for issue-selling. The challenge then is to find a compromise between difference, for the sake of novelty, and dependence, for the sake of legitimacy. Second, prior issue-selling studies have predominantly focused on the importance of selling intention and moves to selling success, but have failed to notice and distinguish among issues in terms of their characteristics. Our proposition adds to existing research by emphasizing the nature of issues, which are examined

with the distinction between issues with different levels of novelty and legitimacy.

Practitioners can also draw important lessons from our discussion. The emphasis on characteristics of issues themselves helps eliminate Gammelgaard's (2009) worries on whether issue-selling is truly beneficial for organizations. In his view, a high degree on lobbying or linguistic skills of subsidiary managers to gain upward influence on decision-making would increase the likelihood of inefficient distribution of resources and mandates. In this study, we highlight the role of issue characteristics, which will avoid these incorrect decision-making processes to a certain degree.

4.2 Limitations and future research

We have provided a model of effective interaction and addressed several fundamental aspects of issue-selling in enterprise groups. However, at least three important areas for future research should be identified. First, future research could further explore the interactive affect of difference and dependence in quantitative research, and the concept of the two relational determinants could be specialized to obtain a more sophisticated understanding. On the one hand, for the notion of difference between the two groups of issue-selling, "cognitive distance" is worthy of greater research attention. Different people have a greater or lesser cognitive distance between them, and a large cognitive distance has the merit of novelty but the problem of incomprehensibility because of the reducing absorption effect (Nooteboom, 2000; Nooteboom *et al.*, 2007). On the other hand, Emerson's structural dichotomy includes not only joint dependence, but also dimension of dependence asymmetry, which is identified to operate through logic of "power advantage" in inter-organizational relations, such power pressures from the subsidiary can push an issue faster on the corporate agenda, but the issue may not be strategically important. Moreover, subsidiary-subsidiary interdependence reflects the strategic significance of a subsidiary in its MNE network, and this is positively related to the positive attention that the subsidiary receives from corporate headquarters (Bouquet and Birkinshaw, 2008).

Second, we argued that difference and dependence between the two entities of issue-selling are two relational antecedents of issue characteristics. However, they are just two among contributors (others as sellers' professional knowledge, skills, and abilities), and they are often involved in issue proposing stage. These selling moves including packaging, choice of selling channels, involvement, and formality are also fundamental contributors to issue characteristics, especially in issue evaluating stage. Thus, although novelty and legitimacy are inherently contradictory, in practice, issues are not quite so polarized (Sturdy *et al.*, 2009). More specifically, at the early proposing stage, issues may be novel-distinctive or legitimate-distinctive; at selling stage, selling moves used by sellers help to achieve a balance between the two characteristics and then improve the rate of selling success. In other words, issue characteristics should be regarded as a "continuum" between novelty and legitimacy over time. Such views can be supported by Howard-Grenville's (2007) findings that the two groups and selling moves in the process of issue-selling all indicate a significant shift over time, which develop issue-selling effectiveness.

Last but not least, from attention-based view, additional studies could provide greater attention to critical factors influencing individuals' selective allocation of attention (Ocasio, 1997; C.S. Tuggle *et al.*, 2010). The dual roles of subsidiary managers and its implication for issue-selling effectiveness deserve extensive research. Subsidiary managers who come from corporate headquarters are often confronted with dual roles. They are responsible for both served subsidiary and corporate

headquarters, such as “business unit (BU) controllers”. To be specific, BU controllers should balance their dual roles of providing information for both local decision-making (local responsibility) and corporate control (functional responsibility) (Maas and Matejka, 2009). The same applies to subsidiary managers from headquarters. On the one hand, subsidiary managers are likely to sell issues because they establish a higher-quality relationship with current decision-makers at headquarters and accumulate more contextual knowledge (Gammelgaard, 2009). On the other hand, if issues are about the dysfunctional behaviors of subsidiaries such as data misreporting or gaming in performance measurement, these potential subsidiary sellers are exposed to higher levels of role conflict and role ambiguity (Maas, 2007; Maas and Matejka, 2009), which will negatively affect their selling willingness, thus hindering selling effectiveness.

5. CONCLUSION

We have identified two relational characteristics of the two parties in issue-selling interaction and discuss their indirect inverted U-shaped effects, via issue characteristics, on issue-selling effectiveness indicated by headquarters attention. In conclusion, to improve the success rate of issue-selling, managers from headquarters and subsidiaries should make a trade-off between their differences and dependencies, and thereby achieve a balance between legitimacy and novelty of an issue.

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