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Competition for control over the labour process as a driver of relocation of activities to a shared services centre

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Abstract

New approaches to studying multinational corporations sensitive to issues of power and politics often neglect the way power and politics in corporations shape workplaces, specifically labour processes and modes of their control. The article presents a case study of a firm's relocation of activities to a shared services centre. The relationships among the shared services centre, its client departments and the headquarters involve an ongoing combination of cooperation and competition, resulting in increased managerial control over labour processes and changes in corporate governance. The shared services centre established as a support unit aims to strengthen its position in the organizational structure by gaining control over labour processes and their modification. Competition with client departments for control over labour processes leads to the introduction of controlling mechanisms, norms and standards both in the centre and in client departments. These rules, on the one hand, limit uncertainty; on the other hand, they drive the fragmentation of labour processes, rendering them more codifiable and less complex. These effects make labour processes easier to control and, eventually, to relocate, which is advantageous for the headquarters. Changes in labour processes thus shape the relationships within the corporation and the space for power struggles and politics.

Keywords

competition, control, global value chain, labour, labour process, multinational corporation, outsourcing, power, shared services, work

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Introduction

In recent years, scholars who study multinational corporations (MNCs) have increasingly devoted their attention to the political nature of MNCs. Key authors (e.g. Bouquet and Birkinshaw, 2008; Geppert and Dörrenbächer, 2014; Geppert and Williams, 2006; Roth and Kostova, 2003) have criticized mainstream studies for ignoring issues of power and politics in MNCs. As a result, new approaches to MNCs sensitive to these issues have made considerable progress towards developing a more complex and realistic understanding of MNCs' behaviour. However, these approaches still suffer from the same problem as mainstream approaches: they fail to take the issue of labour into account. To better understand the organizational restructuring of MNCs, we must focus our attention on the relationship between power and politics within MNCs and changes in the workplace.

I conceptualize labour as consisting of a labour process and its control, both in the sense of the control of performance (monitoring) as well as 'the dictation of each step of the process, including its mode of performance' (Braverman, 1998: 69). Making changes in labour processes, which presupposes having control over such processes, is in the political interest of certain actors in MNCs. The reported presence of power relations and politics within MNCs should be seen not only as a relevant research subject but must, above all, be understood as a consequence and, at the same time, a factor of organizational restructuring related to the fragmentation of production, looser forms of organization (Ponte and Gibbon, 2005) or 'quasi-externalization' (Sydow, 1998 in Flecker et al., 2013: 17). This organizational restructuring results in new forms of relationships among units in MNCs, which transform workplaces and shape labour processes. Changes in labour processes consequently shape these relationships and the space for power struggles and politics. I argue that incorporating issues of labour and, specifically, the labour process, which have either been ignored or only implicitly included in 'emerging critical perspectives' (Geppert and Dörrenbächer, 2014), could substantially enhance the power of these and other approaches to explain the behaviour of MNCs.

This article is based on a case study of a shared services centre (SSC) established in Central Europe by a multinational bank domiciled in Western Europe. My primary research question is: How do relationships among the shared services centre, its client departments and the headquarters shape labour processes in a multinational corporation? More specifically, I address the following questions: How is the relocation of activities to the SSC organized? What is the impact of the relocation on the labour processes underlying the transferred activities? How is the relationship between the SSC and its client departments coordinated? What is the position of the SSC within the organizational structure of the company and how does it influence internal and external labour processes?

The concept of shared services challenges the classic notion of outsourcing. It can be concisely described as a type of internal outsourcing and, in its ideal form, it entails the centralization and related standardization of all support and administrative activities within a company to one or a few points. In other words, the destination of the relocated activities remains within the organizational structure of the company in the form of an SSC, but the position of the SSC and its relationship to the rest of the company have features typical of outsourcing. The SSC and the client departments have different employment conditions and regulatory frameworks and the relationship between them can be characterized as a contract-based, supplier-client relationship. This type of relationship does not necessarily require that the firm's activities be moved to another country, but, in reality, this is very frequently the case. In Central Europe, where the SSC in this case study is based, 99 % of SSCs are tied to companies domiciled outside the region (Delloite Consulting LLP, 2015: 4).

I find that the relationship of the SSC to departments in the HQ could be characterized as 'subversive' (Morgan and Kristensen, 2006). The SSC is not dutiful vis-a-vis its clients, because this would undermine its long-term capability for growth. The SSC must build its own capacities and, sometimes, even conceal its actual abilities and ambitions. Specifically, the SSC and the client departments compete for control over labour processes. This leads to the introduction of stronger process management and monitoring systems, which, in turn, impact labour processes both in the SSC and in the client departments. This reduces the complexity of transactions and thereby opens up space for the further externalization of the firm's activities.

At the same time, the SSC strives for independence not only from client departments but also from the HQ ('upper management'). The HQ respects and even encourages this strategy as far as the SSC brings cost-savings and, above all, enables increased control over labour processes within the MNC. What we have here is a genuine strategy on the part of the bank's upper management and a de facto 'alliance' (Kristensen and Zeitlin, 2005: 157–184) formed by upper management with the SSC's management in a joint effort to increase control over the labour process and to overcome resistance from both middle management and employees based in the HQ and the SSC. I argue that this 'divide and serve' strategy, an analogy to that of 'divide and rule' (Flecker et al., 2013), is not an anomaly, and should rather be conceptualized as a relevant part of the current restructuring efforts of MNCs directly linked to the fragmentation of production through foreign direct investment, outsourcing and 'quasi-externalization' (Sydow, 1998 in Flecker et al., 2013: 17).

My findings confirm that if we want to persuasively deconstruct the still largely influential transactional understanding of a firm inspired by Coase (1937), which implies that the evolution of the capitalist economy is essentially determined by technological development, it is not sufficient to simply shift from understanding an MNC as an organization in the static sense towards a dynamic perception of an organization as an activity (see Morgan, 2001). We must also make clear our understanding of a firm as an organization whose greatest challenge is the indeterminacy of human labour (Braverman, 1998: 33). This conceptualization consequently makes it possible to see more clearly the relationships among phenomena such as changing corporate strategies, power relations and politics within MNCs, and their overall impact on work and people's lives.

The article is organized as follows. In the next section, I elaborate the theoretical context of the study, charting the recent shift in approaches to the study of MNCs that seek to consider issues of power, politics and conflict. I integrate these issues into one framework and show how the incorporation of labour processes can improve our understanding of power and politics in MNCs. Specifically, I present the analytical potential of the research on shared services. Next, I present my methods, followed by a section outlining the empirical evidence. I conclude by summarizing my findings and discussing their implications.

Missing links among power, politics and labour within multinational corporations

The insufficient conceptualization of power in the global value chain framework has stimulated research on the complexity of relationships among units and firms within value chains. This development has confirmed the doubts about the validity of the initial distinction between producer-driven and buyer-driven value chains, and shifted the vision of governance from 'driving' towards 'coordination' (Gereffi and Lee, 2016: 28). Ponte and Sturgeon (2014), drawing on convention theory, have introduced a conceptualization of governance as 'normalizing'. This type of governance relies on norms and standards ('normative power') (Gereffi and Lee, 2016: 28) rather than on 'direct' producer or buyer power. From another point of view, management scholars in particular speak about the growing importance of intra-firm competition in MNCs (Bouquet and Birkinshaw, 2008; Dörrenbächer and Geppert, 2006), or they combine the notions of competition and coordination, and speak about 'coopetition' (Becker-Ritterspach and Dörrenbächer, 2011).

The identification of these different facets of power within MNCs confirms, each from a given point of view, that:

> . . . tendentially looser forms of coordination between lead firms and their suppliers (or buyers), and the related movement towards a 'network world', do not necessarily mean that global value chains are becoming less 'driven' than in the past, but that they are driven in different ways. (Ponte and Gibbon, 2005: 22)

The elaboration of power and politics in MNCs has enabled us to dispute the identification of technological characteristics of products and processes as determining three types of networks in the global value chain (GVC) framework situated between market and hierarchy: the modular value chain, the relational value chain and the captive value chain (Gereffi et al., 2005: 84). However, we are not able to answer the initial and key question related to this issue posed by Gereffi and his colleagues: 'How and why do the complexity of information, the ability to codify information, and supplier competence change?' (Gereffi et al., 2005: 96). In short, the integration of power issues alone cannot explain the dynamics of value chains.

These three characteristics identified by Gereffi et al. (2005), that is, the complexity of information, the ability to codify information and supplier competence, correspond respectively to the key topics in labour process theory: the division of labour, the control over the labour process and the distribution of knowledge (see Braverman, 1998). Control over the labour process, both as control over performance as well as 'the dictation of each step of the process, including its mode of performance' (Braverman, 1998: 69), is decisive. Therefore, by linking power and politics in MNCs with control over the labour process, we arrive at a compact framework explaining the dynamics of value chains.

Global value chain and labour process theorists have already attempted to find a common way to analyse contemporary MNCs. But GVC theory fails to integrate labour through the prism of the labour process, and labour process theory neglects the problems of governance, power and politics, and thus does not contribute to the solution of the problem of GVC configuration.

Within the GVC framework, Lakhani and her colleagues (2013) propose a reciprocal relationship between supplier firm employment systems and the lead firm's strategies, but they narrow the workplace into the issue of employment relations and thus do not deal with the changes in the nature of tasks, an oversight that is repeated with variations also in Barnes et al. (2016) or Newsome et al. (2015). Hammer and Riisgard (2015) see the division of labour at the level of labour market division (into its formal and informal parts), placing emphasis on the control over bodies and, eventually, control over performance. McGrath-Champ et al. (2015) link labour process analysis to the global value chain perspective (how labour-intensive versus more automated manner of e-waste disassembly determines value chain form), but they are not interested in dynamics of this configuration.

Departing from labour process theory, Cumbers et al. (2008) and Rainnie et al. (2011) call for much greater integration of labour into theories of the global commodity chain, the global value chain and the global production network, but, in the end, they themselves conceptualize labour mainly in the organized form of trade unions and, thus, to a large extent, repeat the already identified conceptual flaws.

The most successful integration of power issues and labour process theory within the GVC framework has been introduced by Flecker et al. (2013). The authors use the notion of a 'divide and serve' strategy, an analogy to 'divide and rule', and depict the fragmentation of the labour process and the increasing division of labour as a strategy of GVC management. Their research follows Flecker (2009) or Flecker and Meil (2010), which confirm that this strategy is not an anomaly. Instead, it should be conceptualized as a relevant part of the current restructuring efforts of MNCs directly linked to the fragmentation of production through foreign direct investment, outsourcing and 'quasi-externalization' (Sydow, 1998 in Flecker et al., 2013: 17). This article to a large extent confirms the findings of this stream of research; however, it calls for greater elaboration of power issues among units within value chains and a closer look at the connection between their interaction and changes in labour processes in the whole value chain, not only on the part of the services provider.

We can identify an analogous problem in the text by Howcroft and Richardson (2012). The authors show how increased control over the labour process through the shared services concept enables permanent restructuring and reconfiguration of the value chain. The shared services centre is depicted as a device quasi-automatically codifying and standardizing processes. The diverse configurations of the relationship between the centre and the clients are seen as models that depend on the decision of the HQ. Internal power dynamics are neglected and, thus, also the impact on labour processes remaining outside the centre but within the company. The article by Howcroft and Richardson (2012) is, however, the only one from the first comprehensive literature review on shared services centre research (Richter and Brühl, 2017) explicitly dealing with labour. The stream is dominated by a management and human resources orientation, which looks for 'best practice' cases or deals with strictly applied research.

The shared services research has, nevertheless, great theoretical potential. On the one hand, the research on call centres has elaborated the possibilities of extensive control over labour processes (Taylor and Bain, 2005). These findings, however, do not refer, or at least not primarily, to possible influences of these control mechanisms on the rest of value chains, probably also owing to supposed specificity of services provided by call centres. On the other hand, research from within the area of symbolic work increasingly pays attention to the importance of 'code' in defining labour processes even within knowledge-intensive industries (e.g. Aneesh, 2006; Upadhya, 2016).

What conceptually connects these developments from seemingly very different areas in the services sector is the shift from product-oriented or order-based work flow towards process-oriented or operation-based work flow (see Achterbergh and Vriens, 2009: 236; Ramioul and Van Hootegem, 2015: 95). The technical division of labour, or the increasing number of tasks into which a process is divided, enables increased codification of labour processes. The technical division of labour is not identical with the social division of labour, which concerns the allocation of these tasks to different individuals (Ramioul, 2012: 20–21); however, they are related. The example of call centres points to the close relationship between technical and social division of labour. Other, supposedly more knowledge-intensive industries such as software development, can demonstrate the limits to the social division of labour while still being deeply impacted by its technical division.

The concept of shared services seems to be placed between these two poles and, thus, it is potentially a very promising field for the study of the interconnections among power, politics, work and governance within contemporary MNCs.

Oliveira and Clegg (2015) draw attention to this fact. They explain how an SSC can become an 'obligatory passage point' (Oliveira and Clegg, 2015: 433) in an organization. It is the result of both technological and organizational innovations represented respectively by the implementation and development of enterprise resource planning systems and the centralization and standardization of activities. These dimensions are interdependent. The consequential change of socio-technical relations within an MNC helps to explain how 'power relations change' (Oliveira and Clegg, 2015: 433); in this case, how an SSC enables the HQ to control 'local' actors in a stricter way.

The article by Oliveira and Clegg (2015) demonstrates that Clegg's framework of 'circuits of power' (1989) is very useful for the analysis of the shared services centre concept. At the same time, it requires certain modifications not only in order to improve the framework, but also to enable other frameworks, in this case, global value chain and labour process theories, to take advantage of it. This collaboration can foster a complex and realistic understanding of the shared services concept as well as contemporary MNCs.

In order to avoid static or technologically deterministic explanations, the application of Clegg's framework (1989) to the analysis of SSCs needs a more balanced view of the episodic visible exercises of power by actors, the structural circuits of rules of meaning and membership, and techniques of production and discipline (Clegg, 1989; Oliveira and Clegg, 2015: 428). It must concentrate on the connections among these dimensions of power, but at the same time relate them to the impacts on labour processes and, thus, make explicit their implications for the reconfiguration of the value chain in the sense of possible internalization/externalization of activities driven by these power transformations.

One of the most important contributions of 'emerging perspectives' (Geppert and Dörrenbächer, 2014) to MNC analysis has been made in the study of HQ and subsidiary relationships. Morgan and Kristensen, in their seminal article (2006), distinguish between 'boy scout' strategists and 'subversive' strategists who respond differently to increased HQ pressures. The authors argue that the 'boy scout' approach, which refers to local managers simply implementing HQ commands, could undermine the long- and mid-term capabilities of subsidiaries to build resources of entrepreneurship. The subversive strategy could be more successful and eventually more appreciated by the HQ.

In Clegg's (1989) terms, I analyse the episodic circuit of power and, eventually, the circuit of social integration (rules of meaning and membership) through the framework of emerging perspectives. The remaining structural circuit of system integration is framed by labour process theory, with its focus on the division and control of labour, and intensity of work. Emphasis is placed on the interdependence of all these dimensions as embodied in the notion of competition for control over labour processes, whose elaboration responds to the question of change in configurations of GVC.

The fact that the subversive strategy of a subsidiary could be more successful and, eventually, more appreciated by the HQ seems counterintuitive, though at the same time, it perfectly fits the framework that assigns a crucial role to power and politics in explaining the behaviour of contemporary MNCs. When Kristensen and Zeitlin (2005: 157–184) underline the importance of alliances between local players as a complement to their conflicts, they do not contradict these ideas and, on the contrary, they provide evidence for the validity of this perspective. The problem is that this perspective is often unable to provide answers to larger questions concerning the impact of organizational changes, and it tends to fragment the studied subject into analyses of several micro-political situations without linking their outcomes to a broader and more grounded framework.

The integration of power, politics and the labour process in the study of multinational corporations

The vision of control over labour processes as a subject of negotiation and conflict between various actors in MNCs enables an immediate connection of power issues with their impacts on labour processes. At the same time, this vision does not narrow the issues of power into the simple 'power over some agents' or the 'power to do' something (Clegg et al., 2006: 191).

Control over the labour process can be conceptualized as a set of rules, indicators, standards and knowledge defining how the transactions within the SSC, and between the SSC and its client departments, should be processed and monitored. Both dimensions, that is, control over the performance (monitoring) and over 'the way things are done' (related to codification and standardization), can be analytically separated, but, in reality, they are intertwined. In the context of SSCs, given their importance in evaluating services provided, these elements represent a source of power and, at the same time, they shape the relationship among the SSC, client departments and the

HQ. The fact that the control over labour processes is a subject of permanent struggle means that the result is unstable, uncertain, contingent and pervaded by unintended consequences. However, it is possible to observe very concretely the connection of this struggle to the changing complexity of information, the ability to codify information and supplier competence within the relationship of the SSC and the rest of the organization. This enables us to explain the changing configuration of the value chain through a focus on power and politics.

On the episodic level, control over the labour process is the subject of negotiation and conflict between various actors and their coalitions, namely SSC management, upper and middle management at the HQ and workers on both sides. Especially useful are the findings on complex relationships ('boy-scout', 'subversive', 'alliances') between the HQ and subsidiaries (Kristensen and Zeitlin, 2005; Morgan and Kristensen, 2006).

One factor in this struggle includes the 'rules fixing relations of meaning and membership' (Clegg, 1989: 214). These are related to the meaning of the relocation, the role of subsidiary, in this case, the SSC within the organization, the SSC's relationship to clients and its dependence or independence on the HQ.

Another factor is the 'innovations in techniques of discipline and production' (Clegg, 1989: 214), which I analyse at the level of workplaces. I focus on the evolution of monitoring, codification and standardization of labour processes within the MNC, and analyse them in terms of labour process theory, with its focus on the division and control of labour, and intensity of work.

Methods

Case selection

My case study involves an MNC that has so far relocated activities involving more than 500 full-time jobs. These activities have been relocated over the course of four years from the corporate headquarters (HQ) of a multinational bank domiciled in Western Europe to an SSC located in Central Europe. Western Europe is defined as consisting of the founding members of the European Economic Community, while Central Europe is defined as Poland, the Czech Republic, Slovakia and Hungary. For the reasons of anonymity, I cannot specify in more detail the locations or the company concerned.

The shared services and outsourcing industry is an integral part of the Central European economy. A study by the KPMG Institute suggests that in Poland, Hungary and the Czech Republic there are currently 860 SSCs, which employ more than 200,000 people (KPMG Institute, 2015: 5). The large majority of SSCs are part of companies operating in the manufacturing industry (Deloitte Consulting LLP, 2015: 3). Banks have joined the trend of relocating activities later than companies in other industries. We can hypothesize that it is because banks are more risk averse, more regulated, more heavily based on specific or sensitive knowledge and, finally, are financially stronger than manufacturing companies. This hypothesis has been confirmed by my communication partners, who consistently drew my attention to the specificity of the banking industry. The concept of outsourcing and/or offshoring faces new challenges within the banking industry.

At the same time, the implementation of the shared services concept within the banking industry complicates the view that sees outsourcing business services as merely a tactical relocation of simple activities to countries with lower salaries. It also represents a theoretical challenge for the study of international business, MNCs or work, because the relocation increasingly concerns also supposedly ‘core’ activities of banks such as, for example, risk management or financial analysis. The boundary between ‘core’ and ‘non-core’ knowledge and activities becomes within the shared services concept blurred, as does the boundary of a firm. These are the reasons I focus on the study of shared services implemented by a multinational bank. I had expected the case to be rather atypical and, thus, rich in information (Flyvbjerg, 2006: 229).

In 2009, there existed in Central Europe six shared services centres of banks domiciled outside the region, specifically in the USA and Western Europe (Deloitte Consulting LLP, 2015: 4). These centres were built after the Central European countries joined the European Union in 2004. Five of the SSCs were located in Poland and one in Hungary (KPMG Institute, 2015: 5). The financial crisis that broke in 2008 represented an additional impulse for banks to relocate some of their activities. After the crisis, seven additional centres were built and located in other Central European countries. I chose one of the centres built after 2008 as a case study. The selected shared services centre was the first SSC established by the bank in my study. Before it established this SSC, the company had had no experience with shared services or outsourcing, which made the case yet more compelling. Apart from that, I had to take into consideration during the selection of the case my possibility to gain access to people working both in the HQ and in the SSC.

Case study method

I opted for the case study method because I needed to conduct a relatively detailed investigation of the process of the relocation and related changes in labour processes on both sides of the ‘relocation chain’. As the boundaries were a priori not clear between the phenomenon and its context, I also wanted to include contextual conditions (Yin, 2003 in Baxter and Jack, 2008: 545). Regarding the validity and reliability of my constructs and results, I followed the approaches of Yin (2003) and Flick (2007), who strongly recommend using a theory-driven approach and making a clear initial statement of the research questions. The data collection involved conducting 20 qualitative, semi-structured interviews, both in the SSC and in the HQ. The interviews enabled me to collect detailed information about the day-to-day functioning of the SSC and its client departments, the activities processed in the SSC and in the client departments, and methods of work. Furthermore, they helped me understand the relocation of activities from the communication partner’s perspective and ‘to understand how and why he or she comes to have this particular perspective’ (King, 1994: 14).

Communication partners

The communication partners were selected on the basis of their experience with the relocation. I traced the relocation of activities from the very beginning until their finalization. In the SSC location, I conducted 12 interviews in the period from December 2013 to January 2015. Based on the preferences of my communication partners, the interviews took place outside the premises of the SSC and outside of working hours. I spoke with two managers responsible for onboarding of new activities, two domain managers each responsible for managing four different teams, two team leaders, two team coordinators (assistants to team leaders), three officers (ordinary team members) and one external human resources consultant.

In the HQ location, the communication partners usually invited me to their offices in order to conduct the interview within their working hours. In this manner, I conducted seven interviews from September to December 2015 at the premises of the communication partners' workplaces; one interview took place via telephone. I spoke with two managers responsible for nearshoring of activities, two managers responsible for process management, one assistant to process manager, two team leaders and one officer.

Interviews

The average duration of an interview was between one and one and a half hours. The interviews were semi-structured. The first set of questions concerned the communication partner's work, its content, organization and control, and its role within the organization. The second set of questions was adapted according to the hierarchical and spatial position of my communication partner in the 'relocation chain'; I was interested in the coordination of the relocation and the relationship between the SSC, the client and the HQ ('upper management'). The third part of the interview was based on the communication partner's previous answers as the conversation unfolded. In total, 19 interviews were conducted face-to-face; one was via telephone. All the interviews were recorded with permission and I analysed the resulting transcripts.

The shared services centre as a nodal point for organizational changes in the multinational corporation

The SSC in my case study was established in 2011. It started with accounts payable/ accounts receivable activities, followed by procurement and payment activities, including the processing of complaints and the design of payment applications. This scope was followed by back- and middle-office activities for the bank's operations in financial markets. By the end of 2013, the SSC had approximately 250 full-time employees. The year 2014 was devoted to preparing the next wave of activities, which began to be introduced in 2015 and that were connected with the administration of the bank's internal finances and the administration of insurance activities, also part of the bank's portfolio. More than 500 people were working at the SSC by the end of 2015. The plan for 2016 and 2017 envisages rapid growth and an increase in the number of employees to around 800 by the end of 2017.

Difficult relationships among the shared services centre, its clients and the HQ

The SSC's relationship to its clients and the HQ has evolved. At the beginning, the SSC was cooperative and rather dutiful vis-a-vis its clients and the HQ. Subsequently, as the cooperation between the SSC and the clients became complicated and began to be pervaded by lack of trust, the SSC managers learnt that a merely cooperative approach would undermine the SSC's long-term capability for growth. Today, the SSC needs to be 'subversive' (Morgan and Kristensen, 2006) and to build its own capacities and, sometimes, even to conceal its actual abilities, ambitions and plans.

In the first two years of the operation of the SSC, in terms of a top-down approach, senior managers in the HQ basically enforced the transfer of an activity to the SSC through strict-costs targets imposed on middle managers and/or they prompted the transfer by setting up a bonus scheme. After this period, characterized by a top-down approach to the relocation driven by the bank's commitment to service the loan from the government and, generally, by its 'shock from crisis' (Nearshoring Manager 2, 6 October 2015), the situation changed. On the one hand, SSC managers found out that they must compete for control over the process of the relocation in order to defend the SSC's position from the pressure of clients. On the other hand, the SSC managers understood that in order to preserve the SSC's growth, they needed to forge alliances with upper managers in the HQ, and to strive for upgrading the SSC's position from mere executor of (some) activities within a process to a 'process owner'.

Two years after the SSC's establishment, the positions of two nearshoring managers based in the HQ and two onboarding managers in the SSC were created. The function of nearshoring managers is not only to negotiate transfers but also to collect formal and informal information about transfer opportunities and to try to 'push' the transfers on behalf of the SSC. The onboarding manager, who is based at the SSC but communicates on a daily basis with the nearshoring managers, highlights the important role of 'hot leads', which are collected by a nearshoring team, or 'back-talks' among senior managers on the topic of the SSC (SSC Onboarding Manager 2, 10 December 2014). Both nearshoring managers had spent some time at the SSC before moving to the HQ. Now, they operate on the SSC's behalf in the HQ of the company.

The creation of nearshoring and onboarding positions was a part of the broader regulation of the relocation process: 'The old process [of transfer organization] was more spontaneous; the SSC was in direct contact with the client. Now, there is more control, more formality' (SSC Finance Manager, 21 January 2015). The SSC finance manager describes the mistakes made in the first years of the SSC as mainly connected to the process of the relocation: 'There were mistakes in the documentation, at least in business cases. Now, there are a lot of disputes about what was, what wasn't negotiated and promised, and it influences our current costs; the documentation was wrong' (SSC Finance Manager, 21 January 2015).

The formalization of the relocation included the implementation of stricter rules of documentation. This was not, however, seen as a disincentive to relocation; on the contrary, the formalization should have helped the SSC in the long term:

> I think that the formalization [of the relocation] will help us a lot. In this way, we have several documents which are approved by both sides; they are completed together, always someone from the client, someone from us. We have full documentation of what and how was negotiated. We have full documentation of the business case . . . our exact inputs from our side, from their side. We thus know what was compared. Because even now there is a lot of costs which will appear for example in three years, and they are not calculated. We can go back to the documentation and say: 'Look, the activity is now more expensive because there is a cost you

> didn't inform us about and which is paid by us not by you as the client.' When the documentation is missing, we have a problem. (SSC Finance Manager, 21 January 2015)

Both nearshoring and onboarding managers tended to speak about 'politics' as something happening only in the HQ:

> [The] higher you go in the hierarchy, of course, it gets more political because it is all about, yeah, hierarchy, all about power, so there, of course, the game is played in a different way from when it is played on the level of normal managerial, normal operations. (Nearshoring Manager 1, 24 September 2014)

However, we can take the expression 'the game is played in a different way' literally and understand also the efforts of lower managers as 'political', even if in a different form. This would correspond to the fact that the onboarding managers were specifically praised by other actors in the SSC for being strong negotiators able to negotiate advantageous conditions for the SSC-client relationships. As one nearshoring manager explains:

> Indeed, they [clients] tell you how they used to work and so on, but the SSC is in a difficult position when it commits to something. And very often, at the beginning, the SSC committed in a naive trust that what they told us was true. (Nearshoring Manager 2, 6 October 2015)

We can observe how the episodic political struggles shape (and are shaped by) both 'structural circuits of power' (Clegg, 1989), which strengthen the power of the SSC within the organizational structure of the bank. The development of the formalization was related by an onboarding manager to the fact that the SSC comes nearer to the organizational structure of the bank. The SSC moves from a 'peripheral' to a 'strategic' project:

> Momentarily, we are rather part of the bank than a so-called stand-alone entity. The trend is that we come nearer; there are several reasons it is happening, there are also human aspects and so on. It's not this typical thing, that there is some office [the SSC] which is doing something for them. (SSC Onboarding Manager 2, 10 December 2014)

The SSC onboarding and domain managers not only defend the position of the SSC but also actively seek support from the HQ and strive for upgrading the SSC's position from mere executor of (some) activities within a process to a 'process owner'. This consequently has become, as I will argue, the most important way the SSC attracts further activities.

The process ownership is a subject of permanent debate among the SSC, its clients and the HQ. One experienced project manager based at the HQ who was involved in the SSC project only at its very beginning criticizes the increasing emphasis of the SSC managers on the clear division of responsibilities and related time-table as 'too theoretical':

> At a certain moment, in the SSC management team, they started to discuss when the SSC side is responsible, until when the client side, it was too much . . . I think, the first level – the client side is responsible for the processes and the activities, second level – the SSC is responsible for the activities but the client side is responsible for the processes, and third level – the SSC is responsible both for process and activities. OK, maybe that's OK, but you can have a lot of

> discussions about all these levels, what is included and what is not! (Project Manager based at the HQ, 10 September 2015)

At the same time, one onboarding manager summarizes the limits and possibilities of the SSC in the process of the relocation initiative: ‘The original idea is there, what we can do is to try to take over as much work as possible. That means we are selling ourselves; we can say, look, we do this and we do it perfectly, we can do also other activities, but still, we are not those who decide about the relocation’ (SSC Onboarding Manager 1, 10 December 2013).

The SSC balances between its willingness to take over ‘as much work as possible’ and its capacities to do this work in a way that would satisfy all the parties engaged. This tension results in the implementation of increasingly detailed rules, which determine control over the relocation, but more importantly, control over labour processes.

If we want to understand the SSC dynamics and the process of the relocation, the interplay between politics and rules framing the relocation must be associated with control over labour processes, which directly impacts the form of labour processes both within and outside the SSC, and opens up (or closes down) the space for further relocation.

Competition for control over the labour process

The detailed mapping and measuring of processes intended to be transferred to the SSC is a necessary condition of the transfer. However, when the transfer is undertaken, the processes can be re-arranged. This process management represents for the SSC the possibility to become less dependent on its clients and at the same time, to influence outside processes. The ‘process ownership’ is thus, in each case, the ultimate goal of the SSC. The implementation of the paradigm of process management as a continual improvement of the processes in the entire organization represents also the main channel through which the SSC exercises influence on the HQ and its departments. It is a contested innovation in techniques of discipline and production (Clegg, 1989: 214), whose main driver is the SSC. On the one hand, the SSC enables the upper management through the proliferation of performance indicators to compare performances among the SSC and various departments executing activities that can be potentially relocated to the SSC. On the other hand, the fact that all the knowledge about processes is registered in detailed process flows and manuals, which are updated regularly (once every six months or year), enables process managers to perpetually ‘optimize’ the processes. This decreases the complexity of transactions, increases their codifiability and, thus, also their potential to be relocated to the SSC.

After the idea to relocate an activity is agreed upon, the activity is mapped completely and thoroughly. The work-flows, manuals and, where necessary, specific job-aids are created by process managers based on information obtained from the original team members. This process can be quite painful; usually at least one-quarter of employees refuse to participate, and it often takes several months. During this time, process managers and coaches organize workshops in which, together with employees, they codify all the processes within the activity. Communication partners emphasize that the crucial issue is to engage the employees in the entire process, which is depicted as an important innovation. The bank had even created a specific team called ‘Laboratory’, whose task is to conduct the workshops in more problematic cases:

> I think the way you are talking to people and sitting next to them makes a difference. You can sit there like 'I'm going to do this', and then, everything stops, or you can sit next to your colleague and say: 'OK, I need you. I need your info, I need to understand what you are doing.' It's like curious young people sitting next to them. It's no longer the decision of the CEO they've never seen in person. Only at company drinks. It's a real person being curious and sitting next to them. And it helps. (Process Manager Assistant, 17 December 2015)

Equally important is the fact that the bank does not dismiss the individuals whose jobs are transferred to the SSC. Roughly one-third went to early retirement, one-third was offered another job within the bank and the last third voluntarily left the company. The policy of no dismissal was the result of a negotiation with the trade unions and according to interviewees, considerably influenced the successful start of the entire project of the SSC.

Based on this mapping, the expected amount of labour, indicated as full-time equivalent units (FTE; eight hours per day or 40 hours per week), is calculated for every task (box) within an activity and the key performance indicators (KPIs), through which the service delivery (of every task) will be monitored, are developed. Given the general absence of strict KPIs in the preceding organization of work, the new KPIs are often established in a 'trial and error' method and are the subject of negotiation between the SSC and the client department. However, generally it is expected that the performance per employee will be considerably higher in the SSC than in the previous organization owing to the 'synergy' and 'standardization' of activities. Afterwards, the service level agreement (SLA), specifying the terms and conditions (usually the content of the service and the assigned FTEs and KPIs) of the relationship between the original department (the client) and the SSC (the new supplier), is contracted. If not all the tasks within the activity can be moved owing to legal or risk reasons, then the process is split, and the transferrable part is put through the procedure described above.

The indicators involved in an SLA are, in most cases, not the same services as the ones implemented at the SSC and through which the work of the SSC employees is monitored. 'Internal KPIs', as interviewees in the SSC call them, are more demanding and more numerous than the KPIs stated in the SLAs: 'Team KPIs will be slightly more challenging because we want to keep the margin that the team, even if it doesn't reach team KPIs, it reaches SLA. So we have a buffer and also we challenge the team a little bit to see how far we can push the boundaries' (SSC Domain Manager 2, 10 December 2015).

The process managers assigned to nearshoring emphasize the general necessity of codification of activities and the implementation of KPIs:

> Normally, everyone should have KPIs, the whole bank, not only the bank but all organizations, all firms, should have KPIs. Sometimes, they have them but not the right ones. There must be KPIs that tell you some valuable information, what to do, where the problem is; they simply indicate the problem . . . Unfortunately, many processes are not mapped; we have only targets that are not measurable. If we had KPIs on all processes, we could evaluate their performance, how well they function. We can improve those that are red or orange. (Process Manager 1, 1 December 2015)

Next to this competition through the development of monitoring systems, the SSC makes an effort to gain control over the execution of activities. The SSC has an enormous interest in changing the original work-flows. As one SSC team leader puts it:

> As some people say, we received a kind of open-air museum from the bank, some old processes, and I think a lot has changed, that more than just the automatic takeover of work is involved and that we are constantly coming up with ways in which to make the process more efficient.

But she added:

> In the beginning, the powers of the SSC were extremely limited. Everything had to be ratified and was done in conjunction with the original departments. Only a small part of the process was here. Everything had to be negotiated by email. It was tough. (SSC Team Leader 1, 4 November 2014)

This struggle over the definition of the labour process underlies the relationship between the SSC and its client departments at the HQ to the present day, even though the SSC is nowadays in a wholly different position. The stronger position of the SSC enables onboarding managers to strive openly for 'process ownership', which implies the possibility to modify relocated processes and represents in each case the ultimate goal of the SSC:

> For us, it's good to own the process, because then we could offer improvements to our clients, which is not possible when you have more clients and each of them wants to do the activity in a different way. So this is the key question; you own the process or only deliver the activity to a process, which is called process-split. (SSC Onboarding Manager 2, 10 December 2014)

Process 'ownership' is closely related to process management. According to most of the interviewees, there was no 'proper' process management implemented in the bank before the SSC was established. The process manager based at the HQ but assigned to nearshoring to the SSC tells me that prior to the existence of the SSC, the position of process managers existed, but their role was like that of a 'fire-fighter', only appearing when there was some problem with the process. The process manager offers instead a definition of process management as 'a sort of glue' (Process Manager 1, 1 December 2015). The purpose and meaning of process management are also viewed differently by the actors involved in nearshoring and those more involved in the previous understanding of process management:

> I'll tell you how we see it. Not everywhere in the bank do they see it this way. As we see it, the process manager should have the end-to-end view of a process. He should know what happens within the process; he shouldn't know all the details, he shouldn't be a content owner, and most of the knowledge should remain among employees who are doing the job. But a process manager should be able to tell on the basis of KPIs whether the process is working well or not, whether there are any improvements needed. And so on. Plainly he should be a sort of glue, when he sees that something is wrong in the process, he calls people together and says: 'OK, here and here we have a problem, how can we solve it?' (Process Manager 1, 1 December 2015)

Even though process managers are not content owners, nor technically are the workers. All the knowledge about processes is registered in the detailed process flows and manuals. This enables process managers to calibrate the processes and also eventually, to increase KPIs if they were fulfilled in the long term in a previous period.

The continual process management decreases the complexity of transactions, increases their codifiability and, thus, also their potential to be relocated to the SSC. These are the main factors of the shift in the SSC from a captive value chain responsible for processing transactions to a modular, potentially relational value chain responsible also for steering these transactions and for their architecture and development (Gereffi et al., 2005: 86). In order to obtain a less abstract and more realistic picture, it is necessary to leave this strictly processual view, and discuss also the question of the impact of the relocation and the continual process management on work both in the SSC and in the client and operational departments at the HQ in terms of labour process theory, with its focus on the division and control of labour, and intensity of work.

Impact on the labour process, shared services centre upgrading and its limits

Transferring an activity involves and is actually conditioned by its codification, which again requires its fragmentation into specific tasks. These aspects are further reinforced by continuous process management, which also influences the non-transferred activities. All these are conditions for the increased division of labour and job specialization. This happens in connection with increased workload per employee owing to the centralization and standardization of activities that were previously dispersed across several departments at the HQ.

Conceptually, if we think about the product-oriented or order-based work flow and process-oriented or operation-based work flow (see Achterbergh and Vriens, 2009: 236; Ramioul and Van Hootegem, 2015: 95) as two extremes of one continuum, then in the case of the relocation of activities to the SSC, we can speak about the shift from order-based towards operation-based work flow.

The operation-based production is related to organizational structure whereas the organizational units responsible for respective sets of operations are highly interdependent on each other. Eijnatten and van der Zwaan (1998: 298) claim that the complexity of such structures is high because production is fragmented into specific tasks and the coordination of such a structure requires ‘more means and measures of control than there are actually available’. The control structure is never ‘balanced’ with the production structure, and either it must be perpetually enlarged, or the production structure’s complexity must be reduced.

Correspondingly, the shift towards operation-based work flow opens up further space in the competition for control over the labour process in both its dimensions, as a definition of process and performance control. Both types of control dynamically evolve as they are stimulated by a mix of cooperation and competition between the SSC and the client departments at the HQ.

The creation of nearshoring and onboarding positions, the formalization of the relocation and the shift in the SSC from a peripheral to a strategic project is related to an organizational change at the HQ. In 2014, a new department in the HQ had been created with the aim of centralizing all the operational activities within the home country of the bank. The SSC represents a unit within this department (around one-third of included employees); however, it is evident that there is a tendency to promote the version of process management implemented at the SSC among other operational teams within this department. It could be expected that there would be greater resistance to implementing this conception of process management among these teams than at the SSC, in part owing to the different institutional settings at each location – for example, the different role of trade unions, which are missing in the SSC. However, the existence of the SSC, which is always willing to strengthen its position, represents a considerable limitation to any effective resistance at the HQ.

Even though the SSC maintains the considerable differences that exist between external and internal KPIs, which assures it some independence, the SLA is now defined in much more detail and external KPIs are more numerous and more precise. This enables the SSC to justify its position if it is criticized by a client department. Related changes concern more frequent monitoring and reporting on services provided by the SSC:

> Well, you know, bad criticism spreads much faster than praise, so one invoice paid after its due date and everyone here at HQ was talking in the corridors about how the SSC pays invoices after their due date; it never occurred to these people that the invoice may have arrived late at the SSC. So these are the reasons that led to the implementation of reinforced process management, to reporting on a daily basis. Nowadays, even the client must report every day – for example, now we have implemented double reporting in projects during the transition. Actually, every day at 4 pm, we assess the day without data and based on subjective feelings. Today, we had a good feeling, or today, we felt that we found a lot of errors and we had to correct them and stuff. So it's clear for the people that the transition curve is not always green and OK, and at the same time, the people at the SSC learn how to solve conflict situations with the client. (Nearshoring Manager 2, 6 October 2015)

Monitoring and reporting are forms of defence for the SSC. However, it also implies putting pressure on other operational departments based at the HQ that are not able (or do not want) to implement this form of control, but that, in principle, compete with the SSC not only regarding control over labour processes but potentially also over their execution. Senior managers can compare the performance of departments located at the SSC and those at the HQ or they can compare their 'approach to work', which represents an additional advantage for the SSC and potentially opens up possibilities for new transfers.

An emphasis on growth permeates the entire structure of the SSC, cultivated from the very bottom. A team leader tells me that already in the position of team coordinator, she was obliged always to divide employees between those 'who see change as a challenge and those who see it as a threat' (SSC Team Leader 1, 4 November 2014). The SSC's vulnerable and threatened identity has led to a focus on rapid growth and a commitment to provide better and faster services to its client departments. The SSC's dynamism corresponds to the fact that it has a high voluntary turnover rate. According to interviewees, 25 to 50 % (the statements vary) of new employees leave the organization within the first year. The reasons for leaving include their dissatisfaction with the routine nature of the work, pressure and low salaries. The SSC managers do not express any real concern about this issue. They focus on keeping the employees with intrinsic motivation (those 'who see their work as a challenge') and argue that, thanks to the fact that knowledge is documented and preserved, they are still able to manage the organization even with this turnover rate.

According to most of the interviewees, both at the HQ and the SSC, there has been a clear tendency to relocate increasingly complex activities to the SSC. However, as one process manager points out, the issue of complexity is rather a fake issue because 'everything can be learnt and I don't know what complexity actually means' (Process Manager 2, 10 December 2015). This seemingly exaggerated statement refers to the fact that the relocation has much more been a process largely contingent on the SSC's capacity to transform the processes than a top-down action coordinated from the HQ and determined by the character of transferred activities. In GVC terms, we can speak about 'supplier' capabilities, which presumably outweigh the criteria of 'complexity' and 'codifiability' (Gereffi et al., 2005). The latter two criteria become, if we take into consideration the possibility to transform the activities, relative. Moreover, the wage differential of 50% between the original and the SSC location enables huge investments on the one hand into codification and on the other, into learning activities connected with the transfers, while preserving the transfers' short-term rentability.

The activities in the SSC become increasingly heterogenous in terms of work processes; however, the pattern remains the same: 'I think that in payments they have, for example, only three KPIs. However, in financial markets, they have a lot of activities, so they can have even 30 KPIs. They have six activities, each has five KPIs, so together 30 KPIs' (SSC Team Coordinator, 4 November 2014).

The technical division of labour driven by the competition for control over the labour process challenges the complexity of activities initially conceived as knowledge-intensive. The social division of labour is not a simple transposition of the technical division of labour; however, under the pressure of competition, there is a tendency towards the increased social division of labour and, thus, to more specialized but also controlled job content.

In other words, the transition from order-based to operation-based logics of work flow challenges the supposed complexity of certain activities. The nearshoring manager thinking about the future of the SSC is able to imagine the relocation of not only back-office or middle-office services, but also front-office activities technologically 'by-passed' to a 'point-of-contact' in the original location (Nearshoring Manager 2, 6 October 2015). The relocation is thus not limited to only operational activities. This heterogeneity of activities, or possible polarization of skills warrants further investigation, because it is a more recent phenomenon; however, what has proven to be true in the interviews with the nearshoring and process managers is the fact that the key criterion of the relocation in the long term (several years) is the language. The necessity to communicate face-to-face and in a language other than English has become the crucial issue of a non/relocatability, outweighing the criteria of codifiability or complexity, if we ignore legal regulations, which play an increasingly important role.

In thinking about the future of the SSC, we must take into consideration above all the transformative potential of the relocation. Grasping this process need not be simple, even from within the MNC. One experienced (and angry) project manager based at the HQ who was involved in the SSC project only at its very beginning complains in the interview about this 'picking' of tasks, which is 'messy', instead of moving whole specific domains (Project Manager based at the HQ, 10 September 2015). This opinion illustrates a certain misunderstanding about how relocation is organized, a misunderstanding that can also be applied to certain theoretical approaches. The struggle for control over labour processes is de facto a way of not only implementing relocation but also bringing about broader organizational change.

Conclusion

The process of relocation involves an ongoing combination of cooperation and competition among the SSC, client departments and the HQ. Specifically, we can speak about ‘coopetition’ (Becker-Ritterspach and Dörrenbächer, 2011) with subversive potential. That, however, is not only inevitable, but is also a necessary process that actually drives the relocation forward. Control over the labour process is the subject of struggle: first between the original employees and the process managers, who must codify the labour process in order to enable its transfer to the SSC; then, between the SSC, as it strives to attract further activities, and the client departments, over modifications to labour processes and their monitoring and control; and finally within the SSC, where senior staff take advantage of the SSC’s fragile situation to justify putting pressure on the SSC’s workers (and managers), which they do by increasing internal performance indicators and by emphasizing the need for continual improvement. Moreover, SSC workers are willing to change the processes and cooperate with their superiors because they are aware that this is the only way in which the SSC can strengthen its position. All these developments contribute to the increased fragmentation of labour processes into specific tasks (and sub-tasks) and their increasingly specific codification, which assures decreasing complexity. This consequently makes it easier to externalize, control and, finally, commodify the activities concerned.

By moving from being a ‘peripheral’ to a ‘strategic’ project, the SSC has made its way from being a captive value chain towards becoming a modular, potentially relational value chain. A captive value chain is mainly responsible for processing transactions, while their design, which is closely linked to control over the labour process, remains at the HQ. By contrast, a modular, potentially relational value chain becomes largely responsible for steering these transactions and for their architecture and development (Gereffi et al., 2005: 86). However, the gains for the SSC are at best ambivalent, owing to increased control and division of labour, and intensity of work.

The detailed codification and standardization of processes enable an increase in the speed and dynamism of corporate restructuring. Although the SSC can attain the status of a supplier in a modular, potentially relational, value chain, with the related increase in its stability, the changes in processes, which are consequently more easily controllable and relocatable, limit this stability. We can argue that the initial relocation, motivated largely by lower wages, led to much broader organizational changes, which only intensify the possibilities for further wage arbitrage. The MNC managers can subsequently deliberate about not only nearshoring but also offshoring and, eventually, external outsourcing of at least certain highly standardized activities. This demonstrates that it is not possible to analyse political dynamics within a value chain without taking into consideration related changes in labour processes, which considerably influence future conditions for these political dynamics.

From the point of view of workers in the SSC, the SSC can without doubt upgrade its position and even improve working conditions; however, these improvements will inevitably be only relative. Even the shift from order-based to operation-based logics of work flow and the related Taylorization enable certain improvements (e.g. a decrease in routine by incorporation of new tasks relocated to the SSC); but these improvements cannot in general compensate the loss of quality of work owing to the relocation. Increased control and division of labour, and intensity of work are namely the features of the relocation of activities to the SSC.

Equally important is the question of the impact of relocation on labour in the MNC as a whole, and especially, in the client and operational departments at the HQ. The SSC serves as a tool (and at the same time, as a benchmark) for increasing pressure on workers and managers, even in the non-transferred departments. Apart from the fact that the employees at the HQ feel threatened by the existence of the SSC and the possible relocation of their jobs, they find that their work process is changing. The process management developed over the course of establishing the SSC is also applied to the non-SSC parts of operational activities performed at the HQ. This results in increased control over and division of labour, and intensity of work.

In accordance with recent findings (see Becker-Ritterspach and Dörrenbächer, 2011), I argue that my case study is an example of the growing importance of intra-firm competition in MNCs. This development suggests that even more of our attention should be devoted to the issues of power and politics when studying GVCs. At the same time, power must be conceptualized in a more complex way. I propose to use Clegg's framework (1989). Apart from episodic power interactions, it is necessary to focus on 'rules fixing relations of meaning and membership' and 'innovations in techniques of discipline and production' (Clegg, 1989: 214), which perpetually arise over the course of interactions between actors. Specifically, in order to really understand why, how and with what consequences organizational changes are implemented, we must relate the issues of power and politics to the question of control over the labour process, which remains the central challenge of contemporary MNCs. My case study has shown that a looser form of coordination between the HQ and the SSC and the corresponding greater importance of power and politics do not mean that the value chain is less 'driven' (Ponte and Gibbon, 2005). On the contrary, much greater control over the labour process throughout the observed part of the value chain that results from this looser coordination actually supports centralized governance of the MNC. This also means that the upgrading of a previously 'weaker' unit cannot be seen only as a techno-managerial response to the formation of the value chain; it is also necessary to analyse the related changing social relations (Flecker et al., 2013).

The 'original' global commodity chain framework (Hopkins and Wallerstein, 1986, 1994) departed from the view that the construction of a chain is based on the organizing contradictions of the capitalist economy. The global value chain framework later abandoned this dialectic view and understood the construction of a chain as a managerial and rather technical or even techno-deterministic issue (Gereffi et al., 2005; Sturgeon, 2001). I propose, instead, the notion of competition, which gives primacy to the power and politics within a chain. At the same time, the simultaneous focus on the workplace that is transformed by rules arising from this competition, power struggles and politics enables us to open the black-box of transaction costs. In the commodity chain framework, higher transaction costs have been seen as being 'exchanged' in periods of crisis for lower labour costs through subcontracting (Hopkins and Wallerstein, 1994: 19–20), and the global value chain framework has referred mainly to technology. The focus on rules changing the control and division of labour, and consequently, the size of transaction costs, make evident, instead, their socio-political nature. The SSC, finally, serves as a trigger of competition for control over the labour process within the chain and, thus, in consequence, as a vehicle for decreasing not only labour, but also transaction costs.

The limitation to this study is that the data were collected within just one organization. In order to strengthen the external validity of the findings, the research would have to be replicated in other MNCs implementing shared services. However, my findings are in line with the conclusions of recent research analysing the impact the restructuring of global value chains (but more or less ignoring power and politics) has on labour (see Flecker, 2009; Flecker and Meil, 2010; Flecker et al., 2013; Ramioul and Van Hootegem, 2015). Despite this limitation, I argue that the presented case study has demonstrated not only the validity but also the timeliness of incorporating the issue of labour into frameworks focusing on power and politics in contemporary MNCs. I believe that this article has thus opened up a new direction for deepening the discussions about the role of power and politics in the current global economy.

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