

# Business and Management

## Wednesday Seminar

**Date** 30 October 2013  
**Speaker** Phillip Nell (Copenhagen Business School)  
**Title** Strictly Limited Choice or Agency? Institutional Duality, Legitimacy, and Subsidiaries' Political Strategies

### Abstract

This article analyzes political strategies of MNC subsidiaries in emerging markets. We find that institutional pressures from public and private non-market actors in the emerging market lead to increased political activism. Furthermore, we find that these relationships become stronger, when the external pressures are joined by strong firm-internal pressures. Our findings contribute to the scarce literature on firms' political strategies in emerging markets. They also support recent criticism of institutional theory's strong focus on isomorphism as the most important legitimacy-conveying mechanism. We argue that the isomorphism-based either-or logic gives way to stronger agency of the subsidiary and to a logic of active negotiation and social construction of the subsidiary's legitimacy in the emerging market. Our findings show support for this idea as political activism is one such way how the subsidiary's legitimacy can be built and nurtured.