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**BREXIT AND THE DISCURSIVE CONSTRUCTION OF THE
CORPORATION**

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ABSTRACT

The UK decision to exit the EU in 2016 has led to economic uncertainty. Foreign corporations with UK subsidiaries have sought to mediate these uncertainties while a final agreement is negotiated. Critical to this is the relationship between HQs and these subsidiaries. Discourse analysis has increasingly been used to examine corporate relations, with the corporation viewed as socially constructed through discourses and perpetual deliberations. Deploying a discourse approach, and recognising the importance of topological spatial relations, this paper examines the relationship between HQs and UK-based subsidiaries during the Brexit negotiation period. In conclusion, HQs have generally devolved responsibility to subsidiaries for responding to Brexit, involving ‘consensual’ relations with subsidiaries, and less intrusive ‘stretched’ topological power relations.

CORPORATIONS SUBSIDIARIES DISCOURSE SENSEGIVING
SENSEMAKING BREXIT

INTRODUCTION

Following the UK electorate decision to leave the EU in June 2016, a sustained period of negotiation began on the terms of a trading agreement between the UK and EU. The nature of the final Brexit agreement has the potential to have a major impact on a number of economic sectors. Possible loss of frictionless trade will lead to a variety of potential negative consequences, including trade disruption (e.g. customs bureaucracy and duties costs), labour market shortages, and a loss of investment (KPMG, 2017; SMMT, 2019). These impacts have already begun as firms adjust to uncertainties and market upheaval during the protracted negotiation period, and prepare for a future trade agreement that is yet to be settled (Scottish Government, 2019; Bank of England, 2019). This is particularly notable in terms of the 67 per cent of manufacturing firms planning to reduce investment in 2019-20, and the considerable negative impacts on the service sector during the negotiation period (EEF, 2018; CIPS, 2019; Hall et al., 2020).

The widespread uncertainties arising from the negotiation period up to Brexit has the potential to produce major spatial restructuring of the ‘value capture trajectories’ of foreign subsidiaries in the UK (Coe and Yeung, 2015; EMI, 2017; Holweg, 2019). These foreign subsidiaries are situated within multinational intra-corporate (and global production) networks where there is embeddedness within ‘home’ countries, but variable embeddedness within the host countries in which they are located (Hess, 2004). Critical to such processes are the intra-corporate relations between UK-based foreign subsidiaries and their corporate HQs during the Brexit negotiation period. Since the 1980s, the corporation is understood to have transformed from largely hierarchical ‘hub and spoke’ formations, to one characterised by ‘federative’ forms. Such corporate arrangements are characterised by ‘political coalitions’ of disparate actors’

subject to perennial political negotiation and bargaining (Yeung, 2009; Whitford and Zirpoli, 2016). The responses to economic and institutional uncertainties, such as that arising from Brexit, are therefore not simply instigated through top-down multi-national corporate configurations, but occur through deliberations between HQs and subsidiaries, making their analysis critical.

International business **accounts** and organisational studies have importantly shown how subsidiaries and HQs constantly compete for influence through these deliberations and negotiations (Bouquet and Birkinshaw, 2008; Clegg et al., 2018). This has traditionally been the preserve of International Business studies, but this perspective has tended to treat corporate actors as rational, and focus on transactions between actors rather than appreciate the complex social contexts in which decisions are taken. Similarly, there is a danger of dominant economic geography approaches lacking conceptual concern with how corporations and firm strategies are socially constructed, heterogeneous and politicised. In contrast, recent institutionalist, ‘micro-political’ and discursive accounts emphasise the social construction of corporate (power) relations and micro-political interactions (Balogun et al., 2011; Geppert and Dörrenbächer, 2014). Discursive approaches are particularly significant in explicating how corporate actors do not passively interpret their reality, but actively construct and give meaning to it through discursive ‘sensegiving’ and ‘sensemaking’ (see also O’Neil and Gibson-Graham, 1999; Weick et al., 2005). Through such processes they seek to produce the reality of other actors with the purpose of influencing, controlling and bringing about socially constructed certainties, and where such discourses are imbricated with actual materialities (Geppert and Dörrenbächer, 2014). Such processes are critical as corporate actors, and particularly that of the HQ, seek to mitigate the upheaval generated through Brexit, where discursive interpretations of uncertainties inform priorities and decision-making.

Given the considerable economic and political upheaval and change since the Brexit vote in 2016, understanding the relations between foreign subsidiaries in the UK and corporate HQs is critical during the period up to a final exit agreement. In this phase there is deliberation between HQs and subsidiaries concerning how the upheaval and changes arising from Brexit are mediated. Using a discourse approach, this paper examines, firstly, how corporate HQs discursively construct Brexit and seek to direct subsidiaries by giving meaning to Brexit realities and strategies. Secondly, it examines the sensegiving responses of subsidiaries to such HQ efforts. The period of analysis is from the Brexit vote in June 2016, up to the second deadline in October 2019. The software sector, and electronics manufacturing subsidiaries where software production is also involved, are examined in Scotland and Southeast of England. Automotive, machinery (all firms in the SIC 26 classification) and aerospace manufacturing sectors are examined in Wales and the West Midlands of England (see Table 1). These sectors were chosen in each nation/region because of the considerable presence of a large number of corporations. In the case of Wales and the West Midlands, a breadth of manufacturing machinery sub-sectors is examined so as to reflect a range of different processes occurring across subsidiaries. Furthermore, all case studies are predominantly focused on the European market so as to ensure comparability.

[TABLE ONE]

A database of all subsidiaries in these sectors was constructed through the ‘Financial Analysis Made Easy’ (FAME) database. Semi-structured interviews were conducted with the managing director/plant manager, or senior Brexit manager, at each subsidiary who had the responsibility for interacting with the corporate HQ. A total of 40 interviews were undertaken, 10 for each

nation/region. The discursive approach adopted involves the utilisation of Vaara et al. (2006) and Erkama and Vaara's (2010) categories of corporate restructuring discourses, which were operationalised for the interviews with these managers. As Brexit planning has produced significant resource and time burdens on subsidiaries it was only possible to undertake one interview at each subsidiary, with all HQs declining to participate in the study. This could potentially produce one-sided accounts where the interviewer is seduced by the narrative of the subsidiary manager (Tokatli, 2015). To ensure the 'plausibility' of subsidiary manager accounts, the interview approach involved critically interrogating the mechanisms and nature of the HQ relationship with the subsidiary manager. This was supplemented by 'extensive triangulation' of subsidiary narratives through content analysis of other sources where possible, including media reports and corporate documents (Tokatli, 2015). In conclusion, the paper finds that HQ sensegiving discourses across all nations/regions have predominantly focused on devolving responsibility to subsidiaries for mediating Brexit, typically representing 'consensual' sensegiving and 'stretched' topological power relations.

CORPORATE STRATEGIES, DISCOURSES AND HQ-SUBSIDIARY RELATIONS

The agency of the corporation in contemporary geographical accounts

Before proceeding with a theoretical exploration of the discursive construction of the corporation, it is first important to examine the conceptualisation of corporate processes in contemporary economic geography perspectives, and how they can be further advanced. A variety of approaches have sought to explicate the nature of the corporation and its relationship with broader economic, social and political conditions. The Global Production Networks (GPNs) has been particularly active in this endeavour, with the most recent incarnation, GPN

2.0, arguing that firm strategies are influenced by and are a response to ‘competitive dynamics’ and risk environments. The former includes cost-capability ratios where an optimal competitive market position is sought based on a firm’s costs (e.g. labour) and capabilities (e.g. technology), market imperatives (e.g. reach and access), and financial discipline (e.g. access to finance). For GPN 2.0, changes to these ‘causal dynamics’ requires corporations to adapt through particular firm strategies that influence GPN configurations (Yeung and Coe, 2015).

While GPN 2.0 represents an advance in understanding causal dynamics and firm strategies, criticism has been directed at the firm-centric nature of the approach (Werner, 2016). Yet, it does at least conceptualise a framework for understanding the causality arising from the actions of agency through firm strategies. In relation to the latter, one can argue that there is scope in which to advance GPN 2.0 by treating firm strategy less as an outcome, and more as a set of dynamic processes. Firm strategy within GPN 2.0 is also assumed to be directly related to competitive dynamics and risk environments, with the potential danger of future GPN studies treating decision-making within the corporation as rational, linear and working through undifferentiated and apolitical organisational apparatus (see Fuller and Phelps, 2017). GPN 2.0 also recognises the importance of extrafirm bargaining, but such considerations can be extended into the examination of those politicised negotiations that occur within the corporation, and which characterise intrafirm control and coordination firm strategies (see, for example, Coe and Lee, 2006). This requires greater recognition of corporate apparatus and practices being socially constructed and spatially convoluted, discontinuous and internally contested (Jones and Murphy, 2011). Furthermore, there are complex intra-organisational and spatially relational decision-making and deliberations within corporations that respond to, and produce the economic and social context through which they act (see, for example, Jones, 2008; Faulconbridge and Muzio, 2015).

Further issues occur within political economy approaches of production networks that place corporations as central actors in processes of uneven development (e.g. Werner, 2018). In such accounts the complexities of the corporation can often be overwhelmed by a concern with overarching structural processes, and historical contextual trajectories. While such dimensions are critical and should not be neglected, the weight of their importance needs to be accompanied by a concern with the intricacies of the social agency of the corporation, and how the corporation is socially constructed by actors. This is most evident in world systems theory inspired accounts such as Werner (2016), where the onus of change is placed on historical trajectories of spatial subordination and marginalisation, but with far less concern with how change is created and enacted within the heterogeneous corporation. To reiterate, this is not to suggest that historically constituted structural processes are irrelevant, but that corporations are socially constructed and have disparate causal powers in relation to processes such as disinvestment (Jones, 2009). Central to this are the discourses socially producing corporations, and which is explored in the next section.

The discursive construction of the corporation

As argued above, understanding corporate decision-making requires critical engagement with perspectives on the discursive social construction of the corporation. While mainstream International Business studies is concerned with organisational rationality within politicised HQs-subsidary relations, institutionalist, ‘micro-political’ and discursive approaches in organisational studies focus on the corporation as socially produced and contested through deliberative relations (Geppert et al., 2016). Kostova et al. (2008: 1002) argue that the corporation is a product of a ‘continuous process of sensemaking, enactment, and negotiated political interactions’ (Joutsenvirta and Vaara, 2015). More recent thinking within

organisational studies argues that ‘systems of shared meaning’ are less evident, which follows thinking within international business studies on the constant power relations between HQs and subsidiaries (Schotter and Beamish, 2011). The corporation is viewed as a site of heterogeneous ‘contextual’ rationalities and meanings, which is politicised and characterised by conflicts (Morgan and Kristensen 2009; Blazejewski and Becker-Ritterspach, 2011; Faulconbridge and Muzio, 2015). This takes place in a context where the corporate form is one of diverse and dispersed roles and capabilities, characterised by more federative forms of negotiation and bargaining (Morgan, 2018). However, the corporate headquarters remains a key agent, but one that has varying degrees of controlling power and influence (Yamin and Ghauri, 2010).

This understanding of disparate contextual rationalities and meanings requires greater appreciation of the social construction of the corporation through discourses. Post-structuralist organisational approaches are important in understanding the role of discourses in processes of deliberation and contestation between different actors within corporations (Vaara and Tienari, 2011). Here, the concern is with the construction and circulation of discourses, which come to give meaning to and constitute social (power) relations, and provide the basis for interpreting the material (e.g. working practices) (O’Neil and Gibson-Graham, 1999; Jones, 2009; Faulconbridge, 2010). Embedded within this is the role of discourses as a means in which actors make sense of their environment in response to a ‘world’ of pragmatic uncertainties and ambiguities. Here, actors assign culpability for particular issues and problems, and designate the requisite actions required for bringing about order (Weick et al., 2005). The purpose of such discourses is to legitimise particular viewpoints and aims, as well as being used by actors to contest such claims through processes of delegitimisation, and thus discourses are imbricated with power relations (Vaara and Tienari, 2008).

Discursive approaches argue that ‘subsidiary identity’ is created through these processes of social constructing reality. Identities constitute, guide and legitimise organisational arrangements, but there can be dissensus between how subsidiary and headquarter actors view their individual identities, with such processes influencing the extent to which there is corporate integration (Clarke and Geppert, 2011). Studies within this area are subsequently concerned with how actors achieve (by way of legitimisation and various power relations such as manipulation) their intentions and deliberate with others through discursive means, and that these constitute the emergent social relations of the corporation (Balogun et al., 2011). Termed ‘sensegiving’, corporate actors produce and convey discourses through language, text and talk (Clarke and Geppert, 2011). Through discourses actors seek to define the reality and identities of others and themselves in ways that adhere to their own interests, beliefs and values (Whitford and Zirpoli, 2016; Kovesnikov et al., 2017). Sensegiving therefore encompasses efforts at the legitimisation of particular aims by HQs and subsidiaries, the purpose of which is to convey the ethical needs, benefits and other forms of necessity in accepting and mobilising these discourses through action (Fairclough, 2006).

As argued within Critical Discourse Analysis, discourses are not generated within a vacuum, but are produced in relation to prevailing forms of legitimised social relations, institutions and contextual structural conditions, both within and beyond the corporation (Fairclough, 2006; Whitford and Zirpoli, 2016). The extent to which such discourses are accepted relates to the social contexts, institutions, practices and power relations in which they are situated. Sensegiving is consequently accompanied by ‘sensemaking’ where actors interpret and judge the discourses of other actors, and broader power relations and materialities (Whittle et al., 2016). From this position, actors calculate whether and how they can politically act, conveying

their own sensegiving discourses as a means in which to contest or comply (Dörrenbächer and Gammelgaard, 2011).

In essence, a discursive framework means moving to an understanding of the corporation and HQ-subsidary strategic relations as socially dynamic. It is possible to therefore extend GPN 2.0 thinking and geographical political economy accounts by treating firm strategy and structure less as an outcome, and more as practices that are constantly socially generated and performed through sensegiving and sensemaking. Such an approach means extending GPN 2.0 thinking by treating the decision-making of economic actors as complex. This understands that actors give meaning to reality through discourses, but are influenced and constituted by competing discourses through deliberations. This includes, for example, the judgements of corporate actors as they discursively construct and circulate their ‘capabilities’ (as part of the ‘cost-capability ratio’) as a means of influencing or legitimising decisions. This is particularly evident in Balogun et al.’s (2011) account of subsidiary evolution, where the subsidiary constructs a particular reality of their capabilities (e.g. market planning), which is used in negotiations with an HQ that is seeking greater corporate integration. Taking a discursive approach does require, however, more explication of modes of power. These are critical elements in discursive actions undertaken by corporate actors as they seek to achieve their objectives. Furthermore, there is a need for greater consideration of the relationship with the materialities of general HQ-subsidary relations as these are interwoven with discourses (Whittle et al., 2016).

Sensegiving discourses, and corresponding forms of sensemaking, work through different modes of power. Clarke and Geppert (2011) identify two particular forms underpinning HQ-subsidary relations, and which influence the sensegiving discourses characterising

restructuring. Firstly, there is ‘consensual’ sensegiving and making where subsidiaries adhere to HQ discourses through ‘consensus’ (Clark and Geppert, 2011). In such cases, the social construction of HQ-subsidary relations involves devolved responsibility for tasks to subsidiaries, and where consensus is produced through on-going negotiation (Bouquet and Birkinshaw, 2008, Whittle et al., 2016). This often characterises subsidiaries with high value creation roles, arising from widespread capabilities and resources that are ‘strategically coupled’ with extensive regionalised networks and resources (Andersson et al., 2007; Coe and Yeung, 2015; Fuller and Phelps, 2017). Alternatively, subsidiaries can experience ‘dominated’ sensegiving and making, characterised by the adoption of HQ discourses through authority, domination or coercion, and typically where subsidiary sensegiving is subsumed (Clark and Geppert, 2011).

Such discursive processes are interwoven with the materialities of more general HQ-subsidary (power) relations, and which has a potential mediating influence on sensegiving. For MacKinnon (2011) and accounts within international business studies (e.g. Mudambi, 2011), the status of a subsidiary influences their ability to act. Studies such as Andersson et al. (2007) and Gammelgaard et al., (2012) demonstrate how ‘autonomous’ subsidiaries, with strong capabilities and value creation roles, have greater scope in which to influence through sensegiving (Geppert and Williams (2006). This contrasts with ‘dependent’ subsidiaries characterised by low value creation capabilities, strong HQ control, and where ‘dominated’ sensegiving/making are more likely (Cantwell and Mudambi, 2005; Mudambi, 2011). Nonetheless, this is a convoluted deliberative corporate landscape requiring sensitivity to the different discourses created and circulated.

Sensegiving and corporate restructuring

Building upon the previous discussion, this section examines how sensegiving discourses are integral to different forms of corporate restructuring, as well as recognising the need for greater explication of spatial relations. As argued by Shatzki (2016), it is the everyday practices, deliberations and decision-making of actors which produces and constitutes ‘large phenomena’ such as corporations. In such thinking the organisation is not treated as relatively stable and coherent, but as constantly ‘becoming’ through the efforts of actors to organise (Dörrenbächer and Geppert, 2011). From this position, it is possible to examine the discursive sensegiving actions of actors as they seek to give meaning to reality and organise, and the deliberations that constitute broader corporate strategies (Clark and Geppert, 2011). The paper utilises Vaara et al. (2006) and Erkama and Vaara’s (2010) typology of discursive corporate strategies as a means of examining the sensegiving corporate responses to Brexit. Such discursive strategies are critical in understanding the motivations of agency, the ‘discursive resources’ (e.g. narratives, stories) deployed, and power-laden deliberations taking place (Koveshnikov et al., 2017).

Vaara et al. (2006) and Erkama and Vaara (2010) identify five main sensegiving discourses. Firstly, ‘authorisation’ refers to discourses utilising prevailing conceptions of authority, based on laws, regulations, customs, and traditions, and which typically relate to HQ efforts to ensure subsidiary integration (Mudambi, 2011). Formal and informal institutionalised behaviours are inevitably key aspects to such legitimacy strategies, but where there is variability in their ability to achieve legitimacy, such as in the case of customs which are more easily contested than laws in non-legal deliberative forums. ‘Rationalisation’ discursive legitimation involves reference to the utility of particular actions based on existing legitimised knowledge claims, but where these are claims based on the emergent and contestable nature of knowledge, not least in terms of its generation within particular social situations (Erkama and Vaara, 2010). ‘Autopoiesis’

is evident where legitimisation is based on arguments around the continuation of a particular course of action, or that it has been used within the past both within and beyond the organisation, and thus there is a degree of reliance on myth ('mythopoesis'). Finally, there are 'cosmos' legitimisation strategies that reference the inevitable need for constant change within increasingly dynamic societies. Globalisation and an onus on the future as a means of legitimising and motivating agency are particularly prominent discourses. Such discourses are comparable to the motivations and activities undertaken within 'competence-creating' subsidiaries, with their focus on innovation and considerable autonomy (Cantwell and Mudambi, 2005).

Temporality is intrinsic to these various discursive strategies, but what is lacking in their conceptualisation is a concern with spatial relations between HQs and subsidiaries. For Yeung (2005), corporations are 'organisational spaces' of relations between actors that encompasses various spatial relations, which both produce and are produced through interaction. Such relational spaces are characterised by particular social practices, politics and power relations, all of which come to generate the socio-spatial discursive and material construction of the corporation (Faulconbridge, 2010). This moves us beyond a one dimensional conception of corporate spatialities as physical locations, as is often the case in international business theories of the corporation, to understanding the importance of 'relational configurations' where space is relationally produced (Yeung, 2005). However, and as argued by Allen (2016), relational approaches such as Yeung (2005) work through a 'power geometries' perspective where the onus tends to be on the capabilities of actors and their spatial sites, rather than their actual practices that produce and mediate particular spatialities of power.

For Allen (2016), a ‘topological’ approach addresses such issues by arguing that what is important is ‘how actors use the resources and abilities at their disposal’ to produce particular power relations which are inherently spatial, including sensegiving discourses (39). Actors can enact spatial relations that bring about social presence and influence, or which marginalise others (Arnold and Hess, 2017). They work through socio-spatial relations that can make the distant socially present and the proximate socially distant. Critical to this is the imbrication of power relations with spatialities. Social relations can be ‘folded’ through time to produce direct social presence and interaction (such as by way of real-time technologies) and the embedding of particular practices. Through such social relations actors are seeking to change the spatial and temporal dimensions of relations for their own purposes, with ‘domination’, ‘coercion’ and ‘authority’ forms of power often working through intensive folded topological relations (Allen, 2016). A second form involves the ‘stretching’ of power from ‘here to there’, which encompasses particular social discourses, practices and objects being used to indirectly influence social sites and actors. This is less about distance, and more about ‘the stretching of space through time’ that facilitates intensive social interaction and power relations (Allen, 2016: 51). It often characterises ‘inducement’ and ‘manipulation’ power relations that rely upon actors changing behaviours for their perceived benefits, or lacking understanding and knowledge of potential consequences.

To summarise, a discursive approach to the corporation, combined with a topological perspective, is important in understanding the constant social construction of the corporation. This takes place through the sensegiving actions of HQ and subsidiary actors. More specifically, it provides a conceptual tool in which to examine the dynamic processes through which HQ and subsidiary actors constantly make sense of economic uncertainties during the

Brexit negotiation period, and how they seek to define realities in ways that can legitimise and enact their aims through sensegiving.

HQ SENSEGIVING, SUBSIDIARY SENSEMAKING AND BREXIT

Through the discursive and topological approaches outlined above, this paper examines the sensegiving of HQs as they construct discourses that direct their UK subsidiaries as they react to Brexit. This is accompanied by analysis of corresponding subsidiary ‘sensegiving’ as they respond to the HQ. The paper deploys Vaara et al. (2006) and Vaara and Tienari’s typology (2008) in the examination of sensegiving discursive tendencies across all sectors and nations/regions. Importantly, these sensegiving discourses are multi-faceted, meaning that they involve a combination of different discursive categories, and discursive and material relations. A further important aspect of this analysis is to situate Brexit sensegiving within the context of broader HQ-subsidary relations, by way of the utilisation of Clarke and Geppert’s (2011) conceptualisation of ‘consensual’ and ‘dominated’ sensegiving, and MacKinnon’s conception of ‘autonomous’ and ‘dependent’ relations.

Sensegiving devolved responsibility

‘Rationalisation’ sensegiving, as the most endemic form of sensegiving across all regions and sectors, is first examined in this section. Following Balogun et al. (2011) and Dörrenbächer and Gammelgaard (2016), ‘rationalisation’ can be defined in terms of the HQ devolving responsibility to the subsidiary. This is based on a discursively framed ‘rational’ belief that subsidiaries possess the capabilities and knowledge of UK and EU markets and regulatory arrangements in which to be able to mediate Brexit. There are three main trends occurring

within the data. Firstly, this rationalisation sensegiving is a critical element of HQ mediation strategies, characterising the majority of subsidiaries in all sectors and nations/regions, representing 30 subsidiaries. Secondly, in the vast majority of cases, rationalisation is in combination with other discursive formations, totalling 23 subsidiaries (see Table 2). Thirdly, such devolved responsibility is embedded within HQ-subsubsidiary relations of ‘consensual’ Brexit sensegiving for all subsidiaries, and is more evident in ‘autonomous’ corporate relations (totalling 23 subsidiaries).

[TABLE TWO]

Rationalisation forms of sensegiving

Before examining the more widespread combinations of rationalisations with other sensegiving, it is first important to examine corporations where rationalisation solely operates. An individual rationalisation discourse is evident at seven subsidiaries, and is more common in manufacturing sectors (W1, W4, M2 and M5), including for software and electronics manufacturing subsidiaries S7 and SE9 in Scotland and the Southeast (the exception being the software subsidiary S3). Sensegiving by these corporate HQs has generally been based on the belief that the subsidiary possesses knowledge of the UK/EU market and their European GPNs. This has correspondingly been accompanied by subsidiary sensegiving that reinforces such a view, as well as subsidiaries emphasising their unique capabilities in relation to this knowledge, and conveying the strength of the UK market. However, those subsidiaries situated within more ‘dependent’ corporate relations, which are in Wales and the West Midlands (with the exception of M2 which has design responsibilities), tend to also strongly convey a discourse that Brexit can be risk managed (see Table 3). Such sensegiving is based on the recognition that they have limited capabilities in which to prevent potential corporate downgrading and

disinvestment, and that they need to convince the HQ that all risks are manageable. Their manufacturing activities involve no significant advanced capabilities and production activities, with a strong reliance on the low cost semi-skilled labour that is evident in Wales and the West Midlands.

[TABLE THREE]

Nonetheless, what characterises Welsh and West Midlands manufacturing subsidiaries are historically configured corporate relations, involving power relations of subsidiary operational autonomy in fulfilling their responsibilities. ‘Consensual’ sensegiving therefore typifies such relations, but subsidiaries are ‘dependent’ on strategic direction and role designation by the HQ. This is enforced through ‘authority’ power relations, and where they do not have the autonomy in which to pursue new responsibilities. It is therefore rationalisation in the context of levels of autonomy that are limited to operational tasks. The more dominant topological relations are consequently those of ‘stretching’ (e.g. profit targets). These HQ discourses are embedded within subsidiary sensemaking of the corporation and their ‘operational’ role, but where ‘folding’ real time deliberations are still important (e.g. constant performance management).

One significant example of rationalisation sensegiving and sensemaking is that of W1, a cable manufacturer for the automotive sector. The subsidiary fulfils the production mandate through operational autonomy, reporting back to the HQ on a monthly basis for financial and output figures. Sensegiving from the Japanese HQ is set within the materialities of existing, historically constituted corporate governing arrangements. W1 was originally established in the late 1990s as part of the influx of Japanese automotive firms that sought to access the EU

market, and was the only subsidiary in Europe for some time. This allowed W1 to develop various capabilities, expertise and knowledge for the production mandate. It was only from 2006 that the corporation started to establish other European sites following requests from customers such as BMW and Ford. A European head office was established in Germany in 2013, with all subsidiaries reporting to it. Managerial capabilities and experience are still evident at W1 since it was the first to develop in Europe and was without a European HQ for some time. Consequently: “there’s still been residual of Head Office functions here, we still have some design and test work done here on this site, and that’s because of our skill sets” (W1, author’s interview). Sales are also based in Germany, but W1 has the scope in which to pursue UK-based sales initiatives because they are operating within the market, and this is accepted by the German and Japanese HQs.

The actual devolved responsibility for addressing Brexit is set within these longer term, more ‘stretched’ HQ-subsidiary relations. This is apparent in the subsidiary being asked to devise a plan, where “the Japanese HQ tends to be very much, ‘this is the issue, what’s the corrective action, what do you intend to do?’, and if you’re able to come up with that solution and this is what we plan, then generally they do buy into that” (W1, author’s interview). Such a rationalisation sensegiving perspective is further facilitated by the relatively stable and long term establishment of W1, including its historical role as a quasi-HQ in Europe and with the accumulation of capabilities. However, there is a senior Japanese manager at the subsidiary who reports directly back to the Japanese HQ, which means that actual plans for Brexit are constantly being fed back to the HQ, but where “there’s nothing coming back in terms of, ‘right, this is what you need to be doing’...” (W1, author’s interview). This suggests ‘folding’ topological relations as the HQ is present through Japanese managers in Wales, and by which activities can be monitored, but where it does not represent strong levels of control. Rather, it

is the case that ‘stretching’ is far more endemic, as Japanese managers ensure adherence to the overarching corporate strategy given the residual HQ functions at W1. Sensegiving by the HQ is therefore manifest in the materialities of a subsidiary-led approach to Brexit which suggests consensual sensegiving. However, such discourses and materialities are constrained by the realities of broader HQ control over future capital funding given the closure of the main OEM customer resulting in indirect forms of control based on ‘authority’ over funding allocations.

Combinational devolved responsibility sensegiving

While the rationalisation tendencies examined above are important, the major trend within HQ-subsidary discursive relations is the combination of rationalisation with autopoiesis and cosmos sensegiving. This takes place across all nations/regions and sectors (representing 23 subsidiaries) (see Table 2). The most prolific sensegiving combination is rationalisation and autopoiesis. The latter represents the discursive construction of the importance of the continuation of existing strategic aims and courses of action (Vaara and Tienari, 2008). This is evident across all case study areas and sectors, totalling 14 subsidiaries, but where it is most endemic in manufacturing sectors in Wales and the West Midlands, and particularly that of the automotive sector (see Table 2). Importantly, this includes subsidiaries that are generally working as first and second tier suppliers of components, rather than engaged in high value creation activities (e.g. design functions). This signifies that within manufacturing sectors in these regions, HQ’s are sensegiving devolved responsibility for mediating the Brexit process to subsidiaries, but that this takes place within existing strategic priorities and production arrangements.

Three trends are notable in relation to rationalisation-autopoiesis discourses, the third of which, ‘waiting and seeing’, is the most prolific. Firstly, there are four Welsh and West Midlands

subsidiaries (W6, W7, M1 and M4), operating in machinery and automotive sectors, where there are HQ sensegiving strategies based on continuing market presence and expansion in the UK and mainland Europe. The dominant sensegiving for both HQs and subsidiaries is the belief in Brexit being stabilised once there is a final agreement. In the case of W6 and W7, the subsidiaries are undertaking assembly functions for goods produced within global production networks configured through China, where production costs are viewed as mitigating potential future Brexit costs. An expansion discourse that is conveyed by the HQ is therefore interpreted by W6 and W7 in positive terms, and produces consensual sensegiving. Nonetheless, this still takes place within dependent HQ-subsubsidiary relations and ‘stretching’ power relations, with the latter relating to the embedding of the corporate strategy (of continuing market share expansion) within subsidiary management thinking.

For the West Midlands automotive subsidiaries of M1 and M4, sensegiving has focused on the continuing importance of the UK market, and corresponds to the role of these subsidiaries as market-based operations that are highly profitable for the corporation, with these subsidiaries possessing the autonomy in which to pursue European market opportunities. The sensegiving projected by subsidiaries is one of adhering to this corporate approach as it is of benefit to them. In the case of M4, the HQ has been “philosophical about it [Brexit]. They’ve basically said regardless if it is a hard Brexit or not, we’ll still be in the UK. Now, I’ll support that by saying we were losing £3.5 million a year for a long time before they took us over. If they were going to get out the UK, they would have done it then” (M4, author’s interview). In both cases, sensegiving is co-produced and consensual, with each discourse of reciprocal benefit to the HQ and subsidiary, and taking place through ‘autonomous’ relations.

Secondly, an autopoiesis discursive stance is evident where the US-China trade war is of greater importance for the HQ, and particularly for the automotive sector where GPNs work through China and Europe. This characterises subsidiaries where the broader M7 and M8 US corporations are exposed to the trade war through automotive global production networks (i.e. 25% tariff faced by M7 in 2019), whilst operating within European markets experiencing increasing competition and low profit margins. The sensegiving by M7 and M8 corporate HQs has culminated in subsidiary managers fostering a sensegiving rationalisation-autopoiesis discourse. This emphasises that both the subsidiary and HQ are having to address detrimental conditions and uncertainties: "...and I've just said, look, we'll just deal with it. Because everyone is in the same boat with what's going on across the world" (M7, author's interview). Subsidiary managers are therefore attempting to hinder 'dominated' sensegiving from the HQ in the future, which involves constantly sensegiving and 'stretching' commonalities around uncertain futures that are beyond the control of the corporate HQ.

A third sensegiving trend characterises several software/electronics (S2, S10, SE3 and SE6) and manufacturing subsidiaries (W9, W10, M9 and M10) equally across all regions and nations. This encompasses sensegiving where there is HQ framing of Brexit as a 'local' issue that is the responsibility of the subsidiary, but where this is accompanied by a broader strategic stretching 'wait and see' approach. Across all case study subsidiaries this is justified by way of the need to target corporate-wide resources once the full implications of the Brexit agreement are known, rather than using extensive resources on various forms of contingency planning and possible Brexit scenarios. Such an HQ sensegiving approach has been encouraged and discursively reinforced by subsidiary managers. It is convenient for them to frame the limits in which they can act in a period of uncertainty, thereby reducing blame if the Brexit short term mediation measures they are taking are not effective. For S2, a subsidiary

producing biomedical image software, the managing director has conveyed a discourse to the HQ of:

“I said [to the HQ], look because it’s uncertain there is risk around that. We hope we’re taking the measures that are needed to limit it, but in the end if this all ends in chaos then we’re going to be caught in the cross-fire, irrespective of the amount of planning we’ve done” (S2, author’s interview).

More generally, power relations are consensual within this sensegiving context as this suits both subsidiaries and HQs. All subsidiaries have continuing strong value creation responsibilities through autonomous corporate configurations, which have not been negatively affected by the Brexit vote. The UK and EU market are perceived as stable and profitable, and where there is strong ‘coupling’ with regionalised production networks. At the same time, they are in highly competitive markets, facing pressure from other corporations seeking to increase their UK market presence, resulting in continual investment that reduces the scope for Brexit contingency planning.

This wait and see approach is further encouraged by subsidiaries since they all have HQs lacking understanding of the nature and potential impacts of Brexit. Within this void, subsidiaries have conveyed their importance in mediating Brexit up to the final agreement, and have argued that broader strategic changes should take place after Brexit. One such example is S10, a subsidiary within the semiconductor sector that is serving the European market, and which has been in Scotland since the 1980s. The subsidiary’s sensegiving has been met with the HQ subsequently sensegiving a notion in which, for the subsidiary manager, “I think the Japanese are having great difficulty in understanding that a government can be so ill prepared and can’t even communicate basics to industry” (S10, author’s interview). Rationalisation-

autopoiesis sensegiving is therefore filling a knowledge gap, and mitigates against ‘dominated’ sensegiving and greater day-to-day folded power relations. Yet, this is also a continuation of existing HQ-subsidary relations in that “they do like to have their say but when it comes to something that’s specific to our location, they tend to let us have our own head. We go off and we plan around it, and we take the responsibility if it goes wrong” (S10, author’s interview). For the subsidiary manager, these autopoiesis relations are partly dependent on the strong performance of the subsidiary, which leads to the HQ being relatively hands-off.

The discursive construction of inevitable change

In contrast to ‘waiting and seeing’, nine software/electronics subsidiaries in the Southeast and Scotland receive sensegiving from the HQ where cosmos discourses of a constantly changing world are evident, but in combination with rationalisation (see Table 2). Relations are characterised by consensual sensegiving between the HQ and subsidiary, within a context of more general ‘autonomous’ relations. This demonstrates the considerable autonomy of subsidiaries within these sectors in Scotland and the Southeast for addressing Brexit, and where HQs recognise their importance by conveying favourable corporate discourses (see Table 3). In terms of power relations, HQ discourses are based on ‘inducements’ relating to continuing local autonomy, which involves encouraging subsidiary adherence to their responsibility for Brexit planning. Topological relations remain embedded within ‘presence’ (e.g. monthly profit and performance targets and reporting) rather than a much stronger ‘folding’. These software/electronics subsidiaries are also situated within large OEMs or first tier suppliers, and where they possess high value creation responsibilities, such as design functions. Subsidiaries are also operating within global markets and sectors that are not part of GPNs that significantly cross into Europe, which would be substantially effected by new tariffs and customs

arrangements. Two particular cosmos sensegiving tendencies are evident within these broader tendencies.

Firstly, certain subsidiaries experience the HQ discursively framing Brexit as one of a number of geopolitical events they are dealing with in a dynamic world. These discourses convey the management of geopolitical events, such as Brexit, as the responsibility of the subsidiary because they are situated within individual markets. Such sensegiving is pertinent to two large global US corporations, one producing semi-conductors (S1), and the other engaged in software and computer hardware manufacturing (SE1). Sensegiving is not simply conveyed and received by subsidiaries without deliberative interactions and power relations in these cases, not least because both subsidiaries undertake important corporate R&D and market activities. S1 is a subsidiary working in the semi-conductor audio and voice recognition sector, within a US corporation that is also in this sector. The subsidiary was a spin-off company from Edinburgh University where it conducted the manufacture and R&D of semi-conductor components, growing to a company of 400 employees in the UK, and which is part of various OEM global production networks, including Samsung. The subsidiary moved manufacturing operations to contractors in southeast Asia where there are lower costs of production, but kept R&D activities in Scotland. S1 was acquired by the parent company in 2014, largely because it lacked the resources in which to undertake the research required to maintain a leading position in the marketplace.

With the exception of North America which is managed by the parent company, S1 has the mandate for managing the 'rest of the world' market, leaving it in a position of acquiring and possessing important knowledge and experience. The restricted market focus of the parent company has implications in terms of its sensegiving for managing the Brexit process. The

HQ has conveyed ‘cosmos’ sensegiving of the need for constant change because of the comparable uncertainties produced through other geopolitical events. Interactions between the subsidiary managing director and HQ executives have not resorted to authorisation-rationalisation because of the activities of President Trump, and particularly that of the China-US trade war. The subsidiary managing director has been able to equate this to Brexit, with him arguing that: “You'll think this is very flippant for a company like ours to indulge in this but it's almost like, are your politics more screwed up than ours are, or are ours more screwed up than yours. So it's like people in glass houses shouldn't throw stones” (S1, author’s interview).

A second form of cosmos discursive framing relates to the lack of HQ knowledge of Brexit and European market conditions and institutional arrangements, but where HQs emphasise constant strategic and organisational transformation in response to an ever changing world. For S5, a medical software services company, it has been a case of educating the US HQ on the dynamics of Brexit. They work from a position of HQ ignorance of why this is occurring, but where S5’s managing director characterises a corporate culture that views “disruption as producing opportunities” (S5, author’s interview). The corporation is focused on North America and only comprehends Europe through market data, and ‘stretching’ monthly performance and financial reporting by S5 (author’s interview). The HQ is therefore dependent on the subsidiary, and thus sensegiving relates to producing consensus from a position where they are attempting to understand the full implications and opportunities of Brexit. The subsidiary managing director describes this as a position where “They haven’t been pushing, they haven’t been saying we’re doing the wrong thing or we’re doing the right thing. From our side, operationally wise, they left us to our own devices to be honest” (S5, author’s interview).

Ignorance therefore produces devolved responsibility to the subsidiary, combined with a cosmos understanding of the uncertainties and opportunities from Brexit. This has led to the subsidiary sensegiving their responsibility to mediate Brexit, and going to the internal review board (of different filings of business functions) for approval on various Brexit mediation actions. The latter is part of a broader review of subsidiary systems and processes for responding to a constantly changing marketplace. New topological relations have been established in this process, with these different parts of the corporation now having ‘presence’ at the subsidiary through this engagement, but where the HQ is heavily dependent on the sensegiving of the subsidiary on the implications and mediation of Brexit.

Discourses of corporate control

Balancing central control and subsidiary autonomy

A contrasting position to the sensegiving of subsidiary autonomy examined above involves HQs seeking to control and coordinate subsidiaries, but where we must first appreciate their interwoven nature with rationalisation. A small number of software and software/electronics case studies (S4, S6, and SE4) experience authorisation-rationalisation sensegiving that is projected by the HQ. There are no such cases in the manufacturing sectors in Wales and the West Midlands. Indeed, this is the closest that case studies in Scotland and the Southeast come to centralisation, and only accounts for a small minority of cases, suggesting that autonomy and devolved responsibility is far more widespread in these areas.

Authorisation-rationalisation represents a more balanced sensegiving discursive formation. In such cases, there are strong forms of historically constituted ‘dependent’ HQ control of subsidiaries through ‘folded’ topological arrangements. This results in HQ coordination of

Brexit responses across a number of UK subsidiaries. However, this is accompanied by HQ sensegiving that recognises subsidiaries as possessing the operational knowledge, expertise and capabilities to contribute to Brexit mediation strategies. Such HQ-subsidary relations have generated more consensual sensegiving as subsidiary managers are happy for their capabilities and knowledge to be recognised by the HQ, and for their operational autonomy to continue.

The complexities of authorisation-rationalisation are particularly evident at S6, an R&D software/electronics development centre. Here, there is more consensual sensegiving occurring between the subsidiary and corporate HQ in Silicon Valley, but with underlying issues relating to intra-corporate competition managed by the HQ. The corporate arrangements are such that the HQ encourages competition between subsidiaries in the US, UK, China and India for investment projects when entering new markets and developing products. As part of the management of intra-corporate competition, each subsidiary undertakes different activities through hierarchically folded organisational arrangements, such as strong HQ monitoring of the adherence of subsidiaries to corporate strategies. An element of this has included the HQ using external consultants to understand the Brexit process and the implications of various exit agreements. This is being used for HQ sensegiving to S6 as these consultants are being topologically ‘folded’ into the subsidiary’s Brexit mediation plans. The subsidiary’s management are happy to acquiesce to this sensegiving, since they are dependent on contemporary and future HQ investment allocations for new products and markets that have to be constantly pursued, demonstrating the importance of both authority and inducement power relations. Forms of rationalisation arise because there are relatively homogeneous cultural attributes between the subsidiary and the US HQ. This is illustrated by the managing director’s suggesting that “their response to Brexit has been ‘These are European issues, so you guys in

Europe are probably the best to solve it” (S6, author’s interview). However, Brexit strategies are still informed by the external consultants and actions have to be approved by the HQ.

Sensegiving centralising corporate control

Despite the development of more federative corporate governing arrangements, which are epitomised in the forms of sensegiving explored previously, hierarchical power relations remain evident as HQs continually seek to control and coordinate, and it is these that are examined in this section (Dörrenbächer and Gammelgaard, 2016; Whitford and Zirpoli, 2016). It is important to note, however, that authorisation and authorisation-rationalisation do not dominate, with only a quarter of subsidiaries experiencing this across all case study areas. Authorisation sensegiving is strongly biased towards manufacturing sectors in Wales and the West Midlands, and is evident in only one Southeast subsidiary (SE7) (see Table 2). Of these, Wales experiences the highest level of authorisation. All these subsidiaries function through discourses and materialities of strong ‘dependent’ HQ coordination and control in their everyday operations, with Brexit sensegiving subsequently taking a ‘dominated’ form (see Table 3).

Subsidiaries experiencing authorisation are imbricated within multiple GPNs running through Europe, and especially that of W2 and W5 who have important customers that are UK-based automotive OEMs. Just-in-time production equates to strong centrally mandated and topologically folded monitoring tasks. It is the responsibility of the subsidiary to fulfil these responsibilities, but where there is strong intrafirm central coordination because of the importance of GPNs (Coe and Yeung, 2015; Yang, 2017). Subsidiary managers note that profit margins, and thus the continuing viability of subsidiaries, depends heavily on successful GPN coordination. Subsidiaries are also within manufacturing sectors and sub-sectors where profits

are under competitive pressures (author's interviews). Sensegiving by HQs has therefore been firmly embedded within such discourses, with forced downgrading and potential closure tacitly conveyed through discussions (Blažek, 2016).

For certain subsidiaries, sensegiving from corporate HQs relates to a belief that the UK market is of particular importance and remains a competitive production location. This is notable within automotive subsidiaries serving UK OEMs and first tier suppliers. HQ discourses convey a belief that central coordination is critical given the risks to UK market competitiveness and the complexity of Brexit. Sensegiving by subsidiaries has supported these HQs discourses, suggesting a degree of consensus, but one in which subsidiaries agree with HQ beliefs because of the need to acquire future corporate investment. This is not restricted to subsidiaries with low value creation responsibilities where disinvestment and closure are relatively easy to enact by the HQ. Case study subsidiaries have diverse responsibilities, including those with both high and low value creation activities (e.g. SE7, and M2 with design responsibilities in the automotive sector), and subsidiaries with limited manufacturing, assembly or distribution functions, typically as first tier suppliers within automotive global production networks (e.g. W2 and W5).

One particularly strong example of these tendencies is M6, a German corporation that has various divisions working within the UK, and with involvement in a number of GPNs. The actual subsidiary has a mandate for manufacturing components and assembling industrial and household boilers. M6 has been owned by the parent company since 1999, and from this position there has been a substantial increase in UK market share from 11 to 32 per cent, with an annual turnover over £500 million in 2018. The UK is second to the home German market in terms of turnover, representing a considerable dependence on the UK, and prompting a

corporate-wide approach to Brexit (as is also the case with M3, W8 and SE7). HQ sensegiving subsequently emphasises the considerable impact of Brexit on supply chains, coupled with the potential influence of Brexit on a number of corporate subsidiaries in different sectors in the UK, which requires coordinated action from the HQ.

UK subsidiaries of the corporation are heavily imbricated with a large number of GPNs running into and through Europe. Stockpiling inventory has been critical for M6 as it is an OEM for a consumer good with final production phases in the UK. Stockpiling and supply chain management are activities that are also critical to all other divisions in the UK, leading to centralising coordination of this activity through the UK headquarters in London. There is an overarching Brexit steering committee at the corporate HQ in Germany “specifically to deal with business in the UK”, representing a ‘folding’ of power relations as the distant HQ becomes proximate (M6, author’s interview). This includes strong coordination around the development of joint IT system for different VAT and customs arrangements that can be used across all divisions. The authorisation sensegiving that has been generated from the HQ has been consensual, and met with adherence from M6. This is not from a position of ‘domination’ but ‘authority’. The subsidiary recognises the considerable importance of future investment by the HQ, dispelling any form of alternative sensegiving that the subsidiary may wish to convey. The subsidiary is also consensual towards such discourses because the HQ recognises the severity of a potential no deal, which would negatively impact profit margins and subsidiary performance. Extra tariff and customs costs could have to be internalised by the subsidiary rather than externalised to customers, since this would negatively affect market competitiveness. In this sense, power relations encompass self-censorship by M6’s managers, with the implication that HQ sensegiving typically seeks to create subjects as a means in which to control subsidiaries (Whittle et al., 2016).

CONCLUSION

Utilising a discourse approach, this paper examines how early Brexit mediation has occurred through the sensegiving discourses of HQs and UK-based subsidiaries. The most notable process characterising parent responses to Brexit has been devolving responsibility ('rationalisation') to subsidiaries, conveying a belief that subsidiaries possess, to varying degrees, the capabilities and knowledge in which to mediate Brexit. Of greater prevalence is the combination of devolved responsibility with other discourses, most commonly with autopoiesis and cosmos. The most prolific discourse is the continuation of existing strategic aims (autopoiesis), which is characterised by consensual sensegiving and 'stretching' topological forms. Brexit has therefore not led to a substantial reconfiguration or intensification of asymmetrical and 'folded' topological relations that favour HQs.

Differences between regions and nations are not significant but there are trends relating to particular sectors. A greater number of Welsh-based subsidiaries experience authorisation sensegiving from HQs. All other nations/regions have corporate sensegiving that is far more inclined towards devolved responsibility, but with particular trends. Consensual rationalisation-autopoiesis sensegiving, with subsidiary autonomy, dominates in West Midlands manufacturing subsidiaries and forms part of a large minority of Welsh subsidiaries. This indicates that manufacturing subsidiaries are not undertaking major short and medium term reconfigurations at this point in time in these areas. This is a situation that is also evident in all other nations/regions, but to a lesser extent. A contrasting position is evident in the software/electronics sectors in Scotland and the Southeast of England, where consensual

sensegiving of the inevitability of constant change (cosmos) is more prolific, and is situated within autonomous relations. Here, corporate arrangements are very much focused on the dynamism of markets and the need for constant organisational transformation, suggesting earlier and more substantial responsiveness by subsidiaries.

The geographical implications of such trends are important (Figure 1). Subsidiaries in regions with manufacturing sectors tend to work through ‘rationalisation-autopoiesis’ (with high value creation roles where subsidiaries are following corporate strategies) and ‘authorisation’ (with low value creation roles). Whilst recognising that HQs are not all-powerful, these subsidiaries and regions are more vulnerable to detrimental decision-making, and potential ‘decoupling’ (MacKinnon, 2011). In contrast, regions with subsidiaries in high value creation service sectors are more likely to have the autonomy and capabilities to generate ‘consensual’ sensegiving. They therefore have greater ability to influence corporate strategies and ensure strong (re)coupling with regions. While not widespread, uneven development within such regions remain. Service sector subsidiaries in dependent HQ-subsidiary relations experiencing ‘authorisation- rationalisation’, and typically with low value creation roles, are more vulnerable to corporate control and decoupling.

FIGURE ONE

In terms of future UK corporate restructuring, a ‘no-deal’ or trade agreement that implies substantial extra costs is likely to have a major impact on manufacturing sectors, but a lesser effect on the software sector (SMMT, 2019; Hall et al., 2020). In relation to manufacturing, substantial corporate restructuring is likely to take place where subsidiaries are working through global production networks running through EU countries. This includes the potential

replacement of subsidiary devolved responsibility by centralising control. Regions with a strong representation of foreign corporations in manufacturing sectors, such as the West Midlands, could disproportionately experience subsidiary ‘downgrading’ and decoupling. The impact of various Brexit trade agreements will be less for the software sector, meaning that pre-Brexit subsidiary autonomy and strong regional coupling are likely to remain. However, this decision-making is not a simple linear process that follows a structural spatial division of labour. Decision-making occurs through deliberative spaces of negotiation and bargaining within corporations. The nature of post-Brexit corporate restructuring across the UK, and different sectors, is therefore likely to be uneven and a highly qualitative process.

A discourse approach has wider implications for geographical accounts of corporations and Global Production Networks. It understands that corporations and their production networks are socially and spatially constructed by actors through discourses that give meaning to reality through deliberative relations. When treating the corporation as socially produced, processes such as ‘disarticulation’ and GPN 2.0’s ‘firm strategies’ are therefore not an outcome, but are characterised by constant processes of transformation. An aspect of this is the understanding that the ‘causal drivers’ of GPNs, and that of decisions relating to ‘disarticulation’, are discursively constructed by actors and circulated (see Balogun et al., 2011). It is in these deliberative landscapes of the corporation and GPNs that negotiation and contestation takes place by way of discourses. By embedding a discourse approach within GPN 2.0 it is therefore possible to guard against potential studies that treat ‘causal drivers’ as entitative, homogenous, and naturalised. Taking this forward, the corporation should be examined as a heterogeneous, unbounded and constantly emergent ‘federation’, which is created through spatially interacting actors, discourses and practices. Indeed, it must be viewed as comparable to the complexity of GPNs. In understanding the corporation as unbounded, a discourse approach appreciates how

actors seeking to create realities are influenced by broader institutions and political economies. A discourse perspective should therefore be embedded within the insights of Critical Discourse Analysis thinking, and importantly include recognition of the imbrication of discourses and materialities (Fairclough, 2006).

A discourse approach also has broader implications for International Business (IB) studies. An emphasis on discourses and social practices between actors would allow IB to move beyond the prevailing assumption of ‘rational’ corporate actors, to examine how actors make decisions and act through convoluted deliberations within disparate social contexts. An element of this is the importance of the discursive approach in explicating the role of broader informal institutions and social processes in the social construction of the corporation, including their part in influencing sensegiving and sensemaking discourses (Clark and Geppert, 2011). Finally, IB typically conceptualises geographical relations in terms of physical distance (Yeung, 2005). Yet, Allen’s (2016) topological approach elucidates how proximity and distance are produced through socio-spatial (power) relations, such as ‘folding’ and ‘reach’. The ramifications for IB are significant in that both social practices and topological relations should now be at the forefront of analysis.

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Table 1: Subsidiary response rate

Country/region	Sector	Total no. of interviews	Total no. in the sector	Response rate (%) (% of total foreign firms in the sector and country/region)
Scotland	Software	8	29	28.0
	Software/Electronics	2	31	6.0
SE England	Software	6	44	14.0
	Software/Electronics	4	62	6.0
Wales	Auto	4	31	19.0
	Machinery	5	36	14.0
	Aerospace	1	10	10.0
West Midlands	Auto	7	60	12.0
	Machinery	3	49	6.0
TOTAL	-	40	342	11.7

Table 2: Sensegiving discursive strategies

	Rationalisation	Rationalisation, Autopoiesis	Rationalisation, Cosmos	Authorisation - Rationalisation	Authorisation
Wales	2	4	0	0	4
West Midlands	2	6	0	0	2
Scotland	2	2	4	2	0
Southeast	1	2	5	1	1
Total	7	14	9	3	7

Source: Author's interviews

Table 3: HQ-subsiidiary general and Brexit sensegiving relations

	General HQ-subsiidiary relations		Brexit subsidiary relations	
	<i>Dependent</i>	<i>Autonomous</i>	<i>Dominated</i>	<i>Consensual</i>
Wales	8	2	4	6
West Midlands	3	7	2	8
Scotland	4	6	0	10
Southeast	2	8	1	9

Source: Author's interviews

Figure 1: HQ-subsidary relations and regions

		HQ-subsidary relations		
		<i>Dependent</i>	<i>Autonomous</i>	
			<i>Follow corporate strategy</i>	<i>Ability to influence corporate strategies</i>
Sensegiving discourses	<i>Dominated</i>	Authorisation Manufacturing based regions		
	<i>Consensual</i>	Authorisation-Rationalisation Software sector regions	Autopoeisis Manufacturing based regions	Cosmos Software sector regions