Optimizing the Roles of Subsidiaries Managers' Position as a 'Boundary-Spanning': Interactive Communication Perspective

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Abstract

Subsidiary merupakan unit, dalam perusahaan multinasional, yang melakukan fungsi penghubung (Boundary spanner) antara kantor pusat dengan lingkungan domestik. Posisi ini sangat rentan terhadap stres peran (role stress). Konflik dan ambiguitas peran seringkali muncul dalam posisi ini. Dimana kedua hal ini berdampak negatif terhadap kinerja manajer di subsidiary. Komunikasi interaktif, antara subsidiary dengan kantor pusat, diajukan sebagai salah satu mekanisme untuk mengurangi kemungkinan munculnya stres peran. Komunikasi jenis ini memungkinkan untuk saling membangun pemahaman, konsensus dan penyesuaian atas tugas dan pekerjaan baik di subsidiary maupun di kantor pusat. Sehingga baik antara subsidiary dengan kantor pusat akan mendapatkan kejelasan peran yang harus dilakukan. Selain itu juga, komunikasi interaktif meningkatkan kesesuaian harapan dan tuntutan yang diberikan kepada subsidiary terhadap lingkungan domestik dimana subsidiary beroperasi.

Keywords: Boundary spanner, Subsidiary, Interactive communication

For the recent three decades, MNC (Multinational Corporation) becomes predominantly problematic in international business field. Many researchers tried to find the answer of why MNC exist, under what condition does MNC emerge and how does the phase of MNC development (Kindleberger, 1969; Hymer, 1976; Buckley & Casson, 1976; Calvet, 1981). The next phase of study is not to explain the MNC presence anymore, but more trying to answer the important questions about how to manage MNC operation effectively and efficiently. Traditionally, MNC competitive advantages are developed at headquarter and leveraged overseas through the transfer of technology to a network of foreign subsidiaries (Dunning, 1981), knowledge transfer (Gupta & Gonvidarajan, 1991) and the presence of expatriate overseas to transfer managerial and technical expertise in wide array production function (Martinez & Ricks, 1989). However, the fact is that headquarters is not only the source of competitive advantage in MNC structure (Birkinshaw et al., 1998). Global competitive advantage is the accumulation of local competitive advantage. Currently, subsidiary operation and mechanism in local market offer new challenges in international business research.

From the wide array of strategic issues in the MNC research, the subsidiary manager's roles are important. Such dimension is believed can influence the linkage between MNC network and host-country environment. Hence, it will influence the effectiveness and flexibility of subsidiaries managers to respond to the host-country environment challenges. These activities strongly influence the subsidiaries' performance in host-country. Considering that global competitive advantage is contributed by the capitalization of the different advantages created in various national corporate units (Porter, 1990), thus the performance resulted in each subsidiary will affect global performance. In this research I will focus on the subsidiaries managers' role in the context of intersection between MNC structure and host-country environments factors.

Following the literatures on organizational psychology, there is no position in an organization that exists in isolation (Kahn et al., 1964; Katz & Kahn, 1978). Each position is connected to several other positions, either directly or indirectly, in terms of the method of working, the nature of the task, and the reporting relationship. Adapting these perspectives into MNC organization structure means that all the units is correlated each other. Widespread operations around the world are not separated, but they should be considered as a continuum of value chain. In order to maximize MNC organizational effectiveness, a cohesive framework is needed, in which the set of managerial functions and role is appropriate to the organization's structure and strategy (Das, 2001). In the case of MNC, where organization covers wide-array of countries, the issue of the role behavior of manager becomes more crucial. Since the overall performance of MNC depends on performance in each subsidiaries operation, the escalating interest is focused on the role behavior of subsidiaries managers. Subsidiaries managers are the party in MNC structure that interact daily and directly to host-country environments factors, but in the same time they received

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another pressure from headquarter (regional office), mandate, and instruction. The dual pressure should be handled by subsidiaries managers are believed can influence the role behavior of managers.

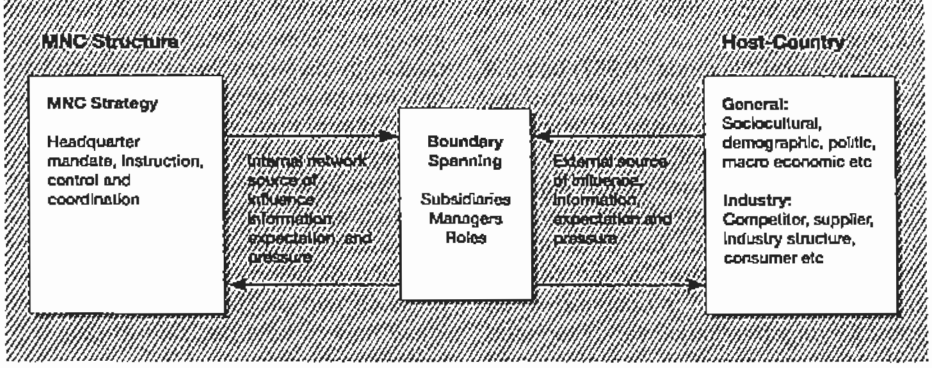
This article has an objective to deal with the problem of subsidiaries managers' position as interface between headquarter and local environment characteristics. Managing this position is the primary role of managers in the subsidiaries. Applying inappropriate strategy to handle this role can contribute negative effects such as stress role (e.g., role ambiguity and conflict), and such conditions that have negative effects on subsidiaries managers' job performance. However, interface position has several advantages such as information gathering, linking role, control input and output, and negotiation power. How to optimize the advantages and, in the same time, impede the disadvantages are needed to be answer in order to achieve positive subsidiaries' performance. But, this condition will be realized when there is appropriate organization mechanism connecting between headquarter officers and managers in subsidiaries. I doubted that organization communication can be used to harmonize and reach consensus between subsidiaries' managers and headquarter, thus optimize the roles of subsidiaries managers. Bad organization communication can enhance role ambiguity and role conflict between subsidiary managers and headquarter officers. In contrast, communications which allow each party to participate and built mutual understanding based on relational aspect increase mutual consensus and impede role ambiguity and conflict in MNC.

Subsidiary Managers as a 'Boundary-Spanner'

Organ (1971) viewed the boundary spanner as the 'linking pin' between the organization and its environment. In the same vein, Wilensky (1967) called the boundary spanner the 'contact man' who mediates the paradox caused by external forces demanding flexibility and internal ones requiring orderliness and efficiency. Aldrich and Herker (1977) argue that the organization's ability to cope with environment constraints depends in part on the ability of the boundary spanning individual to achieve a compromise between organization policy and environment constraints. Therefore boundary spanner activities represent both the perception of the aspect of environment for which action is necessary and the commitment of organizational resources (Dollinger, 1984).

The unique position of subsidiary organization between headquarter (MNC network) and host-country environments puts subsidiaries' managers in 'boundary spanners' position (Au & Fukuda, 2002; Thomas, 1994). The main task of subsidiaries managers in this perspective is for connecting their organization to host-country environment. Subsidiaries managers posses at least some cross-cultural experience and are assigned managerial duties. The networking activities of subsidiaries managers in the MNC structure can also contribute boundary spanning. For example, the coordination activities of subsidiaries managers to sister subsidiaries in another country, subsidiaries managers should build and maintain links with different group inside and outside of subsidiary's organization.

Figure 1. Subsidiary as Boundary Spanning



The headquarter-subsidiary relationship itself is never a simple one. Essentially, the relationship can be modeled as a 'mixed motive dyad' in which the interest and perceptions of the two parties are frequently not aligned with one another (Birkinshaw et al., 2000). Where subsidiary desires autonomy, headquarter prefers control; where subsidiary managers see entrepreneurial endeavor, headquarter sees opportunism; and where subsidiary is acting primarily in the interest of the local business, headquarter is far more concerned about the MNC's worldwide profitability. Headquarters and subsidiaries managers often have different perceptions about the subsidiaries activities.

Subsidiary organization is an open system that needs to interact with and adjust to their external environment[1]. Boundary spanning is the activity by which individuals within organizations bridges and links an organization with its task environment (Jemison, 1984) needs and provide information for internal user. Those managers in the boundary between the organization and the environment are called boundary spanner. These boundary spanners, because of their multi-dimensional activities, have been called as information gatekeepers, external representative of the firm, conduits for resources acquisition, and influences agents (Aldrich & Herker, 1977). Straddling the border, boundary spanner (in the context of this study, subsidiaries managers), is under scrutiny and pressure from two dimensions; MNC structure and host-country environments.

Environment uncertainty is the root of boundary spanning activities. The concept of environmental uncertainty is fundamental to understanding of the subsidiaries' manager boundary spanning activities. Duncan's measure of uncertainty faced by an organization include: (a) lack of information regarding the environmental

1 Taking an open-system perspective, I consider that subsidiary organization is influenced by both MNC internal network and host-country environments, and necessitate adapting with environmental changes. In this research, subsidiary is considered as a total organization rather than a sub-unit that interact both with headquarter and host-country environments.

factors associated with a given decision making situation, (b) lack of knowledge about the outcome of a specific decision in terms of how much the organization would lose if the decision were incorrect, and (c) the ability or inability to assign probabilities as to the effect of a given factor on the success or failure of a decision unit in performing its function (1972, p. 318). Uncertainty can be defined also as a state that exist when an individual defines himself as engaging in directed behavior based upon less than complete knowledge of (a) his existing relationship with his environment, (b) the existence of and knowledge of conditional, functional relationship between his behavior and environmental variables to the occurrence of a future self-environment relations within the longer time frame of a self-environment relations hierarchy (Downey & Slocum, 1975).

Thompson (1967) suggested that boundary spanning is contingent upon the degree to which the external environment is homogeneous or heterogeneous, stable or uncertain. He suggested that subsidiaries managers which operate in host-country environment that is totally different with home-country deal with abundant information. They must combine the information gathered from host-country environments and with headquarter (regional office) mandate and instruction. Consequently, subsidiaries managers handle different pressure, expectation and interest internally or externally. High degree of perceived and objective environmental uncertainty may lead to high levels of boundary spanning activities (Lyonski, 1985).

Many authors registered and proposed the role of boundary spanner in bridging organization and environment. Leifer and Delbecq (1978) see the function of boundary spanner is to protect organization from environmental stress and acting as regulators of information and material flow between organization and its environment. Aldrich and Herker (1977) propose two primary classes of boundary spanning functions: (1) information processing and external representation. Miles (1976) also studied a research and development organization and found three present boundary spanning roles: (1) linking and coordination, (2) information filtration and transfer, and (3) feedback collection and dissemination. Jemison (1984) argue that boundary spanning play three important roles:

(1) Information acquisition and control
    Acquired information needed by the organization from outside and inside organization. Controlling the disposition of the information is realized by deciding to whom, when and what portions of the acquired information should be given to others
(2) Domain determination and interface
    Decide on the kinds of customers the organization will pursue and the method by which the product will be provided to the customer. Meet with the customer and provide information to others to create a favorable image of the organization
(3) Physical input control
    Decide on the kinds, quality and delivery schedules of physical inputs acquired from outside the organizations (e.g. raw material, funds, personnel, suppliers)

Tushman and Scanlan (1981) argued that boundary spanner has two primary functions: (1) informational role and (2) representational communication role. Informational roles acquire information from external areas and transmit this information internally. In contrast, representational roles perform a more routine transacting/representation role. Informational roles are involved in a two-step information flow. Informational boundary spanners must be able to be translated across communication boundaries and must be aware of contextual information on both sides of the boundary. Informational boundary spanning would be accomplished only by those individuals who are strongly linked internally and externally. Boundary spanning individuals must gather and disseminate information internally and externally.

Fennel and Alexander (1987) use the boundary spanning activity to refer to three different types of organizational behaviors: (1) boundary redefinition, (2) buffering or protecting an organization against disturbing environmental influences, and (3) bridging or connecting an organization to other organization. Boundary redefinition is occurred when subsidiary organization joins and integrated with MNC organization structure and operations. There are two strategies that could be used in buffering and protecting organization against environment: (1) augmenting administrative structure and (2) augmenting boundary-spanning unit. Augmenting administrative structure is realized through adding or enlarging its legal department as a means of coping with a complex regulatory environment. An alternative buffering strategy is to augment peripheral structure that deals directly with boundary management and interfacing with environments[2]. Bridging strategies represent a completely different approach to boundary management because they involve creating linkages to other organizations rather than developing internal structure buffer.

Unexpected Effects of 'Boundary-Spanner'

Literatures on organization psychology had noted that those employees who operate between the firm and its environment are particularly vulnerable to role stress (Kahn et al., 1964; Singh, 1993; Stamper & Johlke, 2003). Boundary spanners, like sales person, often spend much of their time directly interacting with customers and addressing their often highly variable, complex, and distinctive needs. Boundary spanner is extensively handles non-routine tasks, and experience different role expectation, high level of uncertainty and conflict. Role ambiguity and role conflict are two important constructions in organization stress (Katz & Kahn, 1978). These two role stress are often found when managers' position is boundary spanning. Since subsidiary managers in this research are considered as boundary position to link with headquarter/regional office and host-country environments pressure, thus analyzing role ambiguity and role conflict in this context becomes important. Subsidiaries managers must deal with diverse role expectation, not only from headquarter officer but also from host-country environments. Subsidiaries managers also face countless conflicting and ambiguous pressure as internal-external and formal-informal interfaces. Subsidiaries managers are often in the situation of being 'caughtin-the-middle' of these two pressures and they don't know how to take decision to deal with certain problems.

Boundary Spanning and Role Ambiguity

The context of subsidiaries managers' role is defined largely by the expectations and demand of other people and environment factors. People are fellow employees, including regional and headquarter officers. Meanwhile, subsidiaries managers occupy with the pressure and coercive environments factors of host-country, such as local government regulation, local competitors, local consumer characteristics and local sociopolitical conditions. Consequently, subsidiaries managers encounter diverse intersections, both internally and externally. The successes or failures of subsidiaries managers are apparent to others. This condition is vulnerable to produce role ambiguity (Singh, 1993).

According to Jackson and Schuler (1985), employees whose job performance depends largely upon interactions with others may be more likely to experience role ambiguity than employee working in jobs where performance is largely a function of completing specific job task. Kahn et al., (1964) argued that intersection position between the firm and environment also result role ambiguity. However, the degree of role ambiguity of boundary spanners is mediated by organizational factors. Several task-related (e.g., autonomy, feedback) and supervisory-related (e.g., consideration, initiation) variables have been found to affect role ambiguity significantly (Jackson & Schuler, 1985). Pearce (1981) argued that formalization is negatively associated with role ambiguity. Formalization items such as job description and personnel policies are believed could reduce the uncertainty and information deficiency of employees' roles.

Role ambiguity was seen as deficient or uncertain information about the role behavior available to a given organizational position (King & King, 1990). As an open system, the organization was seen as being subject to extra organizational influences, including shifts in world markets and technological innovations. Some organizational role and expectation are associated to them. Therefore, it might be inherently ambiguous because of uncertain and rapidly changing environment. On the other hand, Kahn et al., (1964) recognized the salience of individual-level origins of role ambiguity by noting that uncertainty of information may be attributable to poor communications. Contradictory messages from senders may produce confusion and uncertainty and link to role ambiguity. The relationship between experiences role ambiguity and affective outcomes is expected to be influenced by an individual 'need for clarity'.

The original work by Kahn et al., (1964) has been expanded by Rizzo et al., (1970) who further developed the definition of role ambiguity. In addition to the 'unpredictability' of behavior outcomes, Rizzo et al., (1970) added a second component of their existence 'a lack of the existence or clarity of behavioral requirements, often in terms of input from the environment which would serve the guide behavior, and provide knowledge that the behavior is appropriate' (p. 155-156). Ambiguity is considered to be a condition in which the consequences of individuals' actions are unknown to themselves (Pearce, 1981). In other words, organizational member experience unpredictability when they do not know what the effect of their own behavior will be. Because these two components of the concept are central to the subsequent analysis, the former will be called 'unpredictability' and the later is called 'information deficiency'.

Two major types of role ambiguity are defined. The first type is task ambiguity which is results from lack of information concerning the proper definition of the job, its goal and the permissible means for implementing them (Kahn et al., 1964). The second is unpredictability of behavior outcomes (Rizzo et al., 1970). However, as originally proposed, there appeared to be four specific forms of this classification of role ambiguity (King & King, 1990):

1. Ambiguity regarding what is required, uncertainty about one's scope of responsibilities
2. Ambiguity regarding how responsibilities are to be met, uncertainty about the role behaviors necessary to fulfill one's responsibilities
3. Ambiguity regarding role senders, uncertainty about whose expectations for role behaviors must be met
4. Ambiguity regarding consequences of role behaviors, uncertainty about the effects of one's action on the well-being of himself or herself, the role set, or the organization as a whole

Extending the work of Singh and Rhoads (1991), Rhoads et al., (1994) identified 13 (thirteen) multidimensionality of role ambiguity in the sales people. In particular, ambiguity dimensions are classified into two categories: (1) internal ambiguity and (2) external ambiguity (Rhoads et al., 1994). Internal ambiguity is defined as the lack of significant information concerning role definition, expectation, responsibilities, tasks, behavior and ethical issue involved with role members (e.g., boss, company, other managers and coworkers) inside to the company. In contrast, external ambiguity covers managers ambiguity concerning role definition, expectation, responsibilities, tasks, behavior and ethical issues involves with role members external to the company.

Boundary Spanning and Role Conflict

Role conflict occurs when an individual, group or organization has inconsistent behavior expected to them by two or more individual, group or organization that has power over them (Kelly & Hise, 1980). Subsidiaries managers are frequently confronted to several of interest internally and externally. These interests create situations in which subsidiaries managers may be required to play a role which conflict with their value system or to cope with incompatible expectations from one or more role sender. Headquarter mandate, instruction, and assignment obliged give the direction about what task/job must be done. In another side, host-country environments factors also give pressure to be adapted by subsidiaries managers. These two poles of dimensions should be considered simultaneously in order to maximize global advantage and flexibility to adapt with host country environments.

Positioning into intersection between headquarters (regional office) and host-country environments make subsidiaries managers experience with role conflict. Miles (1976) demonstrated that the nature of boundary roles (intra- and inter-organization) is such that role incumbents

2 Some industries create special buffer organizations. Subsidiaries often group regionally to enhance bargaining power vis-à-vis headquarter instruction and mandate

Tabel 1. Kriteria Sukses Bagi Empat Peran Baru Sumber Daya Manusia

Internal dimensions of Ambiguity	
Company flexibility	Ambiguity regarding the amount of autonomy one has in performing various activities within the firm
Company work	Ambiguity regarding the quantity and priority of various tasks needed to be performed within the company
Company promotion	Ambiguity regarding what behaviors are expected for advancement
Boss support	Ambiguity regarding the extent of support one is likely to receive from the supervisor
Boss demand	Ambiguity regarding supervisors' expectations concerning various role tasks
Other manager	Ambiguity regarding the expectations of managers from other department
Co-worker	Ambiguity regarding coworkers' expectations and demands
Internal ethical	Ambiguity regarding how to deal with ethical situations that arises in dealing with partners
External dimensions of Ambiguity	
Customer interaction	Ambiguity regarding customer expectations and demands regarding the selling interaction
Customer objection	Ambiguity regarding how to deal with customers' objections
Customer presentation	Ambiguity regarding company/product strengths and benefits that should be presented to the customer
Family	Ambiguity regarding family expectations and demands related to the job
External ethical	Ambiguity regarding how to deal with ethical situations that arise in dealing with partners (e.g., customers, distributors, etc.) outside the firm

Source: Rhoads *et al.*, (1994)

experience relatively high levels of role conflict. Parkington and Schneider (1979) consider that employee in the intersection position between organization and environments often have 'system vs. client' role dilemmas. Organization system that provides bureaucratic managerial orientation can result in negative employee and customer outcomes. Because of the boundary nature of role, it should be the conflict or incompatibility between what employees perceive management and customer to require that should result in negative employees role conflict. Kahn et al., (1964) provided a theoretical base for the study of role conflict within organizations. They identified several types of role conflict:

1. Intra-sender conflict, incongruent expectations from a single member of a role set
2. Inter-sender conflict, incongruent expectations from two or more members of a role set
3. Inter-role conflict, incongruent expectations from members of two or more different role sets
4. Person role conflict, incongruities between expectations of one or more members of the role set and expectations within the focal person's subjective role
5. Other complex forms, combinations of the preceding four forms, with an example being role overloaded, seen as an emergent combination of inter-sender and person-role conflict.

In this article, I assume that subsidiaries managers can experience those five types of role conflict. Subsidiaries managers can have intra-sender conflict when there is conflicting objective between what is demanded by headquarter (regional office) with what is wanted to be realized by subsidiaries managers. Inter-sender conflict occurs when both headquarter (regional office) and host country environments exert different expectation which must be done. Inter-role conflict is happened when there is incompatibility objective of subsidiary organization member (individual, task group or department) about the respond of headquarter (regional office) and host-country challenges. Person role conflict seems would be occurred when subsidiaries managers handle subjective headquarter officers' expectation. Complex form implies that subsidiaries managers must deal with an abundant conflicting expectation, information and demand of the role set and host-country environments pressure.

Headquarter (regional office) mandate and host-country environment may hold different role expectations concerning the subsidiaries managers' roles. When these different role expectations create incompatible pressure on subsidiaries managers, it becomes difficult, even impossible, for subsidiaries managers to respond to all these pressures because one kind of pressure may be diametrically opposite to another (Das, 2001). Each of these role pressures, moreover, gives increase to internal forces. Obviously, subsidiaries managers generate opposing role forces within themselves and become a victim to psychological conflict. Role conflicts may therefore arise both because of differing role expectations in the external environments as well as due to internal forces.

The individuals in this position face with dilemma between bureaucratic orientation of organization and clients. Bureaucratic orientation is a process by which energy is diverted from providing service to clients and applied to the creation and implementation of new rules and procedures. In contrast to the bureaucratic orientation, service may be provided more effectively when managers in organization focus employee's effort and attitudes toward benefiting customers. Thus managers often face with 'system vs. client'. Because of the boundary nature, it should be the conflict or incompatibility between what employees perceive management and customers to require should result in role conflict. Therefore, role conflict is often between the competing needs of the customer and organization (Stamper & Johlke, 2003).

Communication Revealed

The linear communication model (Berlo, 1960; Rothwel & Robertson, 1973) defines communication as a process in which a source transmits information to a receiver through one or more channels. Fourboul and Bournois (1999) differentiate between information and communication: information to be data which has acquired attributes of significance, whereas communication is a transmission process where behaviour plays an important part, during which people share, exchange and construct meaning. In order to have an effective communication, two conditions must be met (Moenart et al., 2000). First, as regards to the information source, there must be intent to share information. Such intent may be absent because the source: (1) is not able to transmit the information, (2) is unwilling to transmit the information, (3) thinks the information is not valuable enough to be transmitted (Pearson et al., 1993). Second, effective communication also implies that the information transmitted has an effect on the receiver. This effect may be located at one or three levels (Rogers & Agarwala-Rogers, 1976): (1) change in knowledge (the cognitive component), (2) change in attitude (the affective component), or (3) change in overt behaviour (the cognitive component).

Organizational communication can be defined as a system in terms of purpose, operational procedures and structures (Greenbaum, 1974). The purpose of organizational communication is to facilitate the achievement of organizational goals. The operational procedure involves the utilization of functional networks related to organizational goals, the adoption of communication policies appropriate to communication network objectives, and the implementation of such policies through suitable communication activities. Besides that, Stead (1972) argued that the objectives of organization communication are informative and persuasive. We communicate to influence others. However, Rapert and Wren (1998) suggested that communication is the mechanism to achieve consensus among actors in the organization. Through communication, actors can build the same meaning and interpretation about some issues.

Boundary spanner position necessitates multiple directions of communication. Subsidiary managers need to communicate strategically and tactically both with headquarter and with all the actors within subsidiary organization. Communication with headquarter is called vertical communication. Vertical communication can be defined as the movement of information from the highest to the lowest level of organization hierarchy (Spillan et al., 2002). Galbraith (1973) has observed that communicating vertically implies strictly held divisions of labour into functionally specialized units. However, horizontal communication is defined primarily as the quality of information sharing among peers at similar levels. Specifically, lateral communication occurs among co-workers, during staff meetings and informational presentations, throughout shift changes, and among employees regardless of peer types. In this article I will focus more on the communication mechanism between headquarter and subsidiary managers (vertical communication). This communication seems to be important since headquarter always give direction and orientation to be realized by subsidiary managers. It needs a specific kind of communication mechanism to build and to construct the same meaning and perception between headquarter officer and subsidiary managers.

The problem of communication is very common happened in MNC organization (Marschan-Piekkari et al., 1999) since MNC is characterized as a group of geographically dispersed and goal-disparate organization (Ghoshal & Bartlett, 1990). Essentially, they are workplaces where different environments and cultural values are intertwined. Communication process occurs both formal and informal mechanism between headquarter and subsidiary managers. Formal mechanism can be found during the structural and formal mechanism and usually it includes written report such as; formal decision making (e.g., strategic investment decision, new product development and commercialization decision, negotiation process), planning development (e.g., budgeting, operational schedule, functional plans), and output control (e.g., financial control, technical support, direct supervision). However, informal communication takes place during informal relation and more subtle bond involving such as; personal contacts among managers, verbal updates, face-to-face contact, committees, temporary task force, and direct managerial contact.

Communication process is the mechanism that link different unit within MNC organization. Hereafter, the focus of MNC communication activities is how to manage coordination and integration of worldwide operation and activities imposed by headquarter. Bad coordination, information flux and communication and weak clarity of subsidiary manager authority contribute to unfavourable performance of subsidiary managers' job realization. Communication is needed as a means of coordination process between headquarter and subsidiary to maintain an even flow of goods, service and information. The more extensive MNC network, the more communication is required. The clarity of messages sent by one party can influence the comprehension of another party.

Kahn et al., (1964) recognized the uncertainty of information may be attributable to poor communications (either intentional or unintentionally) from senders to receiver and it cause inability to interpret senders signals appropriately. Both headquarter and subsidiary could be a sender and a receptor, it depends on which party who send the signals. Contradictory messages from headquarter may produce confusion and uncertainty and link to subsidiary managers' role ambiguity. Inappropriate objectives demanded by headquarter with local environment characteristics sent by headquarter incites role conflict for subsidiary managers. The blockage communication between headquarter and subsidiary makes headquarter officer cannot have the appropriate local environment situations faced by subsidiary. Bad information misrepresents the reality. Thus, it becomes a source to increase the probability of misfit between objectives, instructions and mandated coming from headquarter and what is demanded by local environment. Consequently, role conflict occurs in subsidiary managers. They do not know exactly which objective should be satisfied first and the objectives received by subsidiary's managers are contradictories and are an opposite direction.

Toward Interactive Communication

The main purpose of strategic communication in the boundary spanning is how to reduce the degree of role ambiguity and role conflict. Subsidiaries managers need certain amount of role clarity to reduce the role ambiguity. They need the precision about the task and the job must be realized by subsidiary and by headquarter. Faced by the complexity of local environment make this repartition becomes complex. This difficulty arises when two objectives are an opposite pressure (the degree of headquarter mandate is quite different with host-country environments), the subsidiaries managers have difficulty to choose which side need to be taken into account. The big question of subsidiaries managers' role is whether their role is more representative and reflexive to the headquarter mission or more as an adapting firm to host-country environment there is contradictory objective demanded by headquarter and by local environment. Subsidiaries' managers faced with two pressures (headquarter mandate and host-country environments) will have dilemma to which party should be satisfied the most. Thus, between headquarter and subsidiary managers need to develop communication mechanism which allows them to harmonize and to synchronize the strategy and action plan. Each local environment change can influence the configuration role.

MNC should not be viewed as objective, a priori structures which merely contain procedure and rational actors. Instead, MNC are social collectivises, which are constituted by the communicative actions of organizational members. Using interpretative framework (Daft & Weick, 1984), MNC can be considered as an interpretative system. Organization is a network of inter-subjectively shared meanings sustained through social interactions. It is this social structuring of the organization which produces and conditions the stock of organizational knowledge among members. Kersten (1986) argued that organization consist of knowledge, culture, normative reality which is built through day-by-day interaction among organizational members. Therefore, organization communication should facilitate the cohesion and the convergence of these aspects.

Individuals engage in communicative interactions seek to develop a meaning for the environment in which they operate. The interaction provides a crystallization of the realities of the organizational process, ultimately allowing for a socially constructed view of the organization which is shared among the communicating members. It is through these interactions that the continual creation and reaffirmation of interpretation emerge (Brown, 1986). This communication provides top managers with a mechanism for transmitting new ideas and values. Although the flow of information from the corporate to the functional level is a continuous and difficult activity, it is also a vital instrument for establishing identification with the mission and goals of the organization. A clear articulation of corporate strategy serves as a boost to employee cohesiveness through a better understanding of priorities and strategic objectives.

Interactive communication in this article refers to the process of dyadic communication and based on relational mechanism between headquarter and subsidiary. Initiative communication is taken by both headquarter and subsidiary's managers. The information flow from and toward, in the same time, headquarter and subsidiary. Interactive communication emphasizes on discussion and negotiation rather than command and direction. Mutual adjustment is always following this kind of communication. Both subsidiary and headquarter open the possibility to change and adjust their planning following MNC organization and local environment changing. Trust and openness between parties are important in interactive communication. Both subsidiary' managers and headquarter officers need all the information possible to achieve mutual understanding. Interactive communication is not one way communication. Each party will give a feedback and reformulate the problem solving altogether. Monitoring of the system occurs as parts of interaction: both headquarter and subsidiary agree on and share the expectation of the organization culture, both observe broadly similar levels of performance and compliance during the interaction, and each gives subtle feedback to the other as required in a case of deviation. Interactive communication is not bureaucratic communication. The latest type of communication is stemming from a hierarchic structuring of control, authority, and communication (Burns & Stalker, 1961). Bureaucratic communication involves a managerial command style in which managers' instructions and decisions govern work operations. Communication tends to be one way, or top down, since headquarter instructions dictate what subsidiary's managers must do.

Interactive communication between headquarter and subsidiary then serves as mechanism for developing, organizing, and disseminating knowledge. Performance is enhanced when organizational mechanisms ensure that there is a continual, free exchange of information between firm members (Rapert & Wren, 1998). Headquarter clearly articulates strategic issues, the internal crystallization of the basic identity of the organization carries positive performance implications at subsidiary level. MNC performance will be enhanced when employees attain a common understanding of the means by which strategies may be achieved. This common awareness results in the reduction of uncertainty through a shared view of the expectations and perceptions of organizational pursuits. Without a shared awareness and common perception of the meaning of strategy and action plan, there is a potential that both managers in headquarter and in subsidiary might put forth efforts that are not in harmony.

The interactive communication provides a crystallization of the realities of the organizational process, ultimately allowing for a socially constructed view of the organization which is shared among the communicating members. It is through these interactions that the continual creation and reaffirmation of interpretation emerge (Brown, 1986). This communication provides managers both in headquarter and in subsidiary with a mechanism for transmitting new ideas and values. Although the flow of information from headquarter to the subsidiary level is a continuous and difficult activity, it is also a vital instruments for establishing identification with the mission and goals of the organization. A clear articulation of strategy and its implementation serves as a boost to employee cohesiveness through a better understanding of priorities and strategic objectives.

Previous investigators have seen task design as a process of interpersonal negotiation, characterized by discussion, elaboration, and continual redefinition of individual task through interaction. It should be noted that not all reported research has provided evidence of dispersed control pattern in organic systems. Interactive communication makes messages transmitted by both headquarter and subsidiary evoke similar symbols-referent relationships for both parties (Fidler & Johnson, 1984). The very existence of these commonly shared symbols systems reduces uncertainty by making interactions more predictable (Farace et al., 1977). The establishment of interactive communication enables a continued dialogue between headquarter and subsidiary and it is required to strengthen the relationship (Grönroos, 1997, 2000). This deeper connectedness is created only if the communication system between the parties is effective enough to transfer the share of meaning between the participants in a way that creates a dialogue through which the goals of both participants can be communicated in a reciprocal way. An interactive communication enables more than simple dialog relationship; it facilitates relationship enhancement between headquarter and subsidiary managers.

Interactive communication allowing headquarter and subsidiary's managers to exchange information and problem in interactive way. The mutual adjustment about objectives, strategy and action plan is facilitated. Common understanding between headquarter and subsidiary creates role precision and clarity. Each party will redefine its task and role concerning a specific situation. Role reconfiguration is made by mutual agreement between headquarter and subsidiary. This situation will clarify and illuminate the task and job difference between headquarter and subsidiary. Therefore interactive communication reduces role ambiguity. However, interactive communication facilitates mutual adjustment and correction of the objectives decided in headquarters. By exchanging the information and working together with subsidiary, headquarter can enhance its comprehension about the local environment characteristics faced by subsidiary's managers. Therefore, it reduce the inappropriate and contradictory objectives demanded by headquarter and local environment. Strategic objective demanded by headquarter following and suitable with the challenges and opportunities found in local market. Interactive communication, the, reduce the possibility of role conflict between subsidiary's managers and headquarter.

Discussion and Further Research

It is important to study the unique nature of boundary spanning employees' work environment and task in the subsidiary context. Subsidiaries managers' job-related experiences are often quite different from those investigated in non-subsidiary organization. Subsidiaries' managers are often spends much of their time directly interacting with host-country customer and addressing their often highly variable, complex and distinctive needs. In addition, because boundary spanners often operate away from the regional office or headquarter, they are likely to experience high level of uncertainty and conflict (Stamper & Johlke, 2003). Consequently, subsidiaries managers' position as boundary spanners may also be distinct from patterns found in past research efforts. This is important because the manner in which boundary spanner interact with host-country environment factors (market, consumer, government, supplier and distributors) strongly affects the host-country impression of the overall MNC organization. Given these reasons, we believe that looking subsidiaries managers' position as boun-dary spanner offer a unique and pertinent context of MNC operations and activities.

However, the past research had concluded that boundary spanner is highly correlated with role stress (Kahn et al., 1964; Miles, 1976). Two dimension of role stress are role ambiguity and role conflict. They tend to be associated with negatively valued states such as tension to the job satisfaction and job performance (Jackson & Schuler, 1985). Such role stress is strongly associated with both short (physiological, attitudinal, and behavioural) and long (chronic disease and health issues, turnover) term negative impact employee outcomes (Stamper & Johlke, 2003). In addition, there is increasing concern about the negative effects of employee stress upon the firm itself such as decreased job performance. Since role ambiguity represents a lack of information about what behaviors are appropriate, and role ambiguity weakens the links effort-to-performance. Thus the efforts to reduce role ambiguity could have meaningful impact on job performance. The role conflict will result job-related tension and anxiety, job dissatisfaction and propensity to leave the organization (Miles, 1976).

Interactive communication between headquarter and subsidiary's managers is believed can reduce the uncertainty and the tension following job and task realization between them. By inter-exchange the information freely, it arises the mutual understanding and comprehension. Job and task of headquarter officers and subsidiary's managers can be reconfigured and respecified following environmental changing. This situation increase role clarity for both headquarters and subsidiary because each party will understand what the main task and job need to be fulfilled by its own unit and by another unit. Interactive communication reduces the tension caused by inappropriate instruction and directions given by headquarter with the demands of local environment. Characterized by openness and trust makes interactive communication facilitates mutual adjustment between headquarter and subsidiary. Consequently, it reduces role conflict between them.

However, this article is a conceptual framework and need to be more elaborated in terms of variables in each construct. I describe a general relation between role stress faced by subsidiary's managers and the contribution of interactive communication idea to reduce it. This article necessitates the precision of the relation and the causality among variables. Hypothesis development should be made in the future research and need to be tested. U

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