



MNC response to superstitious practice in Myanmar IJVs: Understanding contested legitimacy, formal–informal legitimacy thresholds, and institutional disguise

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Abstract

Superstition is a pervasive informal institution affecting the decision-making of organizational actors yet remains under-studied and ill-understood in international business research. We address this lacuna through examining how Western MNCs affect – and are affected by – the use of superstition among local subsidiary managers in an emerging Asian economy. Based on interviews, archival documents, and observation, our inductive investigation reveals a complex, changing, and surreptitious relationship between MNC practice and an informal institution which, while widely practiced, remains forbidden according to its formal institutional counterpart (Buddhism) and illegal according to Myanmar state law. Initial findings showed how MNCs endorsed, acquiesced, or rejected superstitious practice based on a configuration of construed reputational risk, corporate values adherence, degree of formal institution approval, and perceived local performance impact. Subsequent MNC engagement then shifted from accommodation to resistance to manipulation in response to local managers' disguising their 'superstitious' practices as Buddhism, 'blurring' the formal–informal institution divide in the process to secure MNC public approval. Together, our findings serve to refine and deepen existing theory into how the MNC subunit can manage its legitimacy through balancing the incompatible demands of formal and informal constituents within a contested institutional dyad.

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INTRODUCTION

How should the MNC respond to the use of superstition in the decision-making of its subsidiary managers? More precisely, how should the MNC engage with a powerful host-context informal institution where it is discouraged by its formal institutional counterpart, prohibited by national law, laden with perceived negative MNC reputation potential and runs counter to the MNCs



own values and policies? As a pervasive cluster of disjointed social beliefs – passed on outside of officially approved channels (Meyer & Rowan, 1977) – superstition is a primary informal institution affecting the business decision-making of organizational actors (e.g., Converse, Risen, & Carter, 2012; Vyse, 2000) both generally and – according to a broad consensus of opinion – particularly across the emerging corporate contexts of East and Southeast Asia (Chinchanachokchai, Pusaksrikit, & Pongsakornrunsilp, 2017; Hernandez, Wang, Minor, & Liu, 2008; Tsang, 2004a; Westjohn, Roschk, & Magnusson, 2017; Yin, 2013). However, despite its influence – circumscribing attitudes and behavior at almost every level – superstition in international business remains under-researched and ill-understood.

Against a backdrop of globalization and deregulation, there is the widespread – albeit implicit – assumption that the use of superstition in commerce is declining in a context of increasing ‘Western’ business ideology assimilation (e.g., Ralston, 2008; Yukongdi, 2010). However, with the continuing search for growth in Asia’s emerging markets, any hardline, explicit stance against the use of superstition by MNCs is arguably more difficult to maintain than before. For one thing, with the rising economic power of Asia, practices typically viewed as being ‘superstitious’ in an Anglo-European commercial context are now being both tolerated and adopted, instanced by the increasing use of *feng shui* (earthen harmony) among US banks (e.g., Tsang, 2004b).

More pertinently, in emerging Asian nations such as Laos, Cambodia, and (especially) Myanmar – where the absorption of Western business practice remains minimal – superstitious belief is held to control ‘half the life of the ordinary people’ (Yin, 2013: 35). Within this context, fortune tellers influence the decision-making of organizational actors across multiple hierarchical levels through the practice of astrology, palmistry, chronomancy (i.e., determining lucky/unlucky days), oneiro-mancy (dream interpretation), clairvoyance and necromancy (spirit worship) (Aung, 1962; Spiro, 1967; Yin, 2013). As such, despite habitually dismissed as being ‘inconsistent’ with the scientific principles of organization management, superstition remains a crucial part of Asian commercial life with far-reaching impacts on ground-level business operations (Chinchanachokchai et al., 2017; Hernandez et al., 2008; Tsang, 2004a). For this reason,

it pays for MNCs to develop an understanding of this enduring informal institution (Yin, 2013).

One particular challenge for foreign MNCs in Myanmar – since the country’s progressive ‘opening up’ for business from circa 2014 – is that despite its powerful, pervasive influence, the use of superstition lies almost entirely ‘below the radar’ and, therefore, undetected. The other key difficulty is that, notwithstanding its everyday social influence, superstition is formally denounced as ‘illegitimate’ according to the doctrines of Theravada Buddhism (e.g., Thera, 2009) and banned by Myanmar state law (Syrota, 2003; Yin, 2013). As the most doctrinal form of Buddhism, the Theravada school – dominant across much of emerging Southeast Asia – embodies an organized, unifying system of integrated beliefs and codes of conduct involving divine revelation, moral behaviors, and ethical procedures. These are created, communicated, and enforced through channels widely accepted as official (Helmke & Levitsky, 2004: 727). Given its status as a globally legitimate institution of supranational repute, Buddhism is thus seen as a safe haven for Western MNCs in its provision of positive legitimacy spillover in Myanmar – a country dogged by continuous negative global media coverage.

As long noted by scholars, an institutional system needs to comprise both formal and informal components to be seen as complete (Cantwell, Dunning, & Lundan, 2010: 570; Lundan & Li, 2019; North, 1990, 2005). In the Myanmar context, Theravada Buddhism and superstition form two sides of the country’s ‘spiritual practice system’ (for lack of a better term) – the one formalized and enshrined in written law, the other informal, communicated primarily via word-of-mouth. Yet, whereas this institutional ‘dyad’ is seen as complementary (Helmke & Levitsky, 2004) – or, more accurately *supplementary* – among local employees and much of the common populace, for formal Buddhist enforcers the relationship is both competitive and negative. Within this context, in negotiating its legitimacy in Myanmar, the Western MNC is faced not only with addressing the use of superstitious practice among its local employees but also with navigating an adherence to formal Buddhist doctrine (on the one hand) and fidelity to its own corporate values and policies (on the other).

So how should the MNC proceed? Research into the challenges facing organizations in unfamiliar environmental contexts continues to draw from



institutional theory (e.g., Cantwell et al., 2010; Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; Henisz & Swaninatham, 2008; Kostova, Roth, & Dacin, 2008; Peng, Wang, & Jiang, 2008; Rosenzweig & Singh, 1991). In recent years, a growing body of work has highlighted the complexity posed where organizations contend with multiple and often conflicting institutional constituencies (e.g., Pache & Santos, 2010; Ramus, Vaccaro, & Brusoni, 2017). Pluralistic institutional environments (e.g., Kraatz & Block, 2008; Hung & Whittington, 1997; Suchman, 1995), which can give rise to incongruent demands (Littlewood, Rodgers, & Williams, 2018; Webb, Tihanyi, Ireland, & Sirmon, 2009; Williams, Horodnic, & Windebank, 2015) present particular challenges for maintaining organizational legitimacy where the institutions themselves are at odds with one another (Waeger & Weber, 2019). Operating at the cross-national level, where these challenges are typically magnified, an influential series of studies has examined the need for the MNC to maintain legitimacy with local institutional stakeholders while acting simultaneously in accordance with its own internal corporate policy codes (e.g., Kostova & Roth, 2002; Kostova & Zaheer, 1999). To date, however, existing research does not adequately account for, and cannot adequately explain how the MNC should engage with a key informal institution where it runs counter not only to the MNC's own policy and values, but also to the regulations of its formal host institution counterpart.

To begin with – and as the key premise behind this Special Issue – organizational research has focused almost exclusively on formal institutions, neglecting the *informal* variant held to characterize emerging subsidiary contexts where formal regulations and rules are often undeveloped (Kostova, Beugelsdijk, Scott, Kunst, Chua, & van Essen, 2020; North, 1990; Pejovich, 1999). Secondly, despite the advances in research on institutional complexity, there remains a lack of understanding as to the process mechanisms underlying organizational-institution interaction (Besharov & Smith, 2014). In a marked departure from traditional institutional research, with its emphasis on organizational conformity to institutional demands (e.g., DiMaggio & Powell, 1983) – scholars have more recently proposed a number of frameworks to describe how organizations respond to (formal) institutions within the context of multiple constituent prescriptions. Building on the work of Oliver (1991)

and North (1990, 2005) these range from passive conformity to overt resistance and active manipulation in order to accommodate, adapt, circumvent, resist and modify host institutional pressures (e.g., Cantwell et al., 2010; Kostova et al., 2008; Regner & Edman, 2014).

However, the assumption suffusing such research – implicit or otherwise – is that MNC–institution interaction encompasses primarily the navigation of an external, unitary set of institutional demands set against the internal exigencies of the firm itself (Child & Tsai, 2005). This restricted scope is reflected – perhaps most clearly – in some of these studies' core premises, for instance that the likelihood of organizational resistance to institutional pressures depends upon the degree of social legitimacy and, or, external dependence on pressuring constituents (Oliver, 1991). And, while a number of recent research streams have emerged which both identify and explore the nature of (e.g.,) institutional pluralism, incongruence, and complexity (see Kraatz & Block, 2008; Littlewood et al., 2018; Webb et al., 2009), there remains little or no empirical examination as to how this affects and is affected by foreign MNC engagement (Kostova et al., 2008). Specifically, research to date does not address the situation where the MNC subunit is navigating not one host institution but a formal–informal dyad, a tightly bound, internally contested system of formal and informal institutional components – *both* of which are crucial to MNC legitimacy, *each* of which holds incompatible views as to the relative legitimacy of the other.

Drawing on pioneering work from the field of comparative politics (e.g., Lauth, 2000), another relevant stream of work theorizes more closely how formal and informal institutions interrelate. Of particular note is the Helmke and Levitsky (2004) framework, which distinguishes among four types of informal institution: 'complementary', 'accommodative', 'competing', and 'substitutive', as determined by the perceived effectiveness of the formal institution on the one hand, and the compatibility of the goals of formal and informal enforcers on the other. Yet, and as repeatedly acknowledged, a key caveat in this model is the failure to integrate sufficiently the role of *perspective* among the various stakeholders (Helmke & Levitsky, 2004: 62 – see also Estrin & Prevezer, 2011). Accordingly, in our investigation of MNC response to superstition, where the issue of perspective concerning legitimate practice was key to understanding the MNC subunit's dilemma, we found the applicability of



such models to be significantly diminished. Specifically, while Myanmar subsidiary managers viewed superstition as legitimate and complementary in relation to the national Buddhist religion (i.e., allowing them to extend their inducement of divine intervention into a wider range of everyday issues), for the formal Buddhist enforcers it was seen as illegitimate, competing, and unwelcome.

With these limitations in view, we sought to explain the Western MNC's engagement with the use of superstition among its managers in this emerging host context subsidiary. In contrast to the traditionally 'arm's length' approach given to research on firms and institutions (Child & Tsai, 2005: 97), we approached our phenomena through an interpretive, qualitative research design to remain as 'up close' to our data as possible. Using the Southeast Asian economy of Myanmar as our empirical setting, we began by building a detailed categorization of superstition in local managerial practice before considering the response patterns of our multinational corporate executives. We then focused on understanding the *consequences* of such response – specifically the reactions and counter measures pursued among local managers, MNC agents and formal institution enforcers.

Initial findings showed that MNC agents' response patterns comprised 'rejection', 'full endorsement', 'ceremonial endorsement', 'contingent endorsement', and 'tacit acquiescence', determined in accordance with a configuration of construed formal legitimacy approval, MNC reputation risk, MNC values adherence, and perceived performance impact among local managers. Subsequent data, focusing on the *consequences* of MNC response, then served to uncover the phenomenon of 'institutional disguise' as local managers sought to mask their 'superstitious' practices as 'Buddhist' in order to gain the MNC's public endorsement. This was to reveal the existence of a perceptual 'threshold of legitimacy' between superstition and its formal religious counterpart – one which was open to manipulation by motivated agents. Exploring these phenomena in turn provided insight into how the relationship between formal (Buddhist) and informal (superstition) institutions could shift in the wake of MNC engagement. It also shed light on how and why the overall strategic stance of the MNC towards superstition changed – specifically from accommodation to overt contestation – as MNC agents catalyzed a re-alignment of the formal–informal institutional dyad.

Our contribution to the literature connecting informal institutions and international business – within the context of MNC–host institution engagement – is twofold. Firstly, we propose a typology which describes and predicts Western MNC response to the primary informal institution of superstition in an emerging country context – specifically where the informal institution plays a relatively significant role in relation to its formal counterpart. Making sense of the factors involved, and the relations between them, allows us to understand what makes the foreign MNC deal effectively with superstitious practices among its host subsidiary managers as it seeks to legitimize its actions and presence – at least, to the extent that the response types are consistent with the specified conditions (Doty & Glick, 1994).

Secondly, we extend theory into the micro-processes of host context institutional change under Western MNC exigencies, addressing the calls for greater empirical attention to be given to the *temporal* dimension of MNC–host institution engagement (e.g., Cantwell et al., 2010; Regner & Edman, 2014 – see also Besharov & Smith, 2014) and formal–informal institutional evolution (Estrin & Prevezer, 2011; Helmke & Levitsky, 2004). Concerning the former, in uncovering how and why the MNC's strategic stance towards a host informal institution shifted – from accommodation to resistance to manipulation – we provide insight into the *process* through which organizations interact with competing institutional demands. This concerns both the MNC specifically (Cantwell et al., 2010: 571; Regner & Edman, 2014) and more generally as regards organizational legitimacy management under conditions of institutional pluralism and incongruence (e.g., Besharov & Smith, 2014; Kraatz & Block, 2008; Littlewood et al., 2018; Ramus, Vacarro, & Brusoni, 2017; Webb et al., 2009). Concerning the latter, our study expands and refines how we understand the co-evolution of the formal–informal institutional relationship, describing how this oscillated between convergence (boundary blurring/disguise) and divergence (in terms of formal redivision) within the context of Western MNC demands. In turn, this addresses the acknowledged, inherent stasis of existing formal–informal institution frameworks (Estrin & Prevezer, 2011; Helmke & Levitsky, 2004).

Finally, through exploring the pervasive and powerful influence of superstition in subsidiary manager decision-making, we expand and refine existing knowledge as to how MNC inexperience in

foreign contexts may constitute a key liability of foreignness (LoF) (Kostova & Zaheer, 1999). Understanding more fully the determinants and mechanisms of superstition – as a neglected source of MNC inexperience in emerging Asia – enables us, in turn, to provide pointers for how this potential source of competitive disadvantage can be effectively mitigated and managed (Shirodkar & Konara, 2016; Zaheer & Mosakowski, 1997).

LITERATURE REVIEW

Institutional Constraints and MNC Response

Institutional scholars have traditionally stressed the need to achieve legitimacy through isomorphic conformity to the local institutional context (DiMaggio & Powell, 1983; Xu & Shenkar, 2002; Zaheer & Mosakowski, 1997). In more recent research, however, as scholars address the increasing institutional complexity facing organizations (e.g., Besharov & Smith, 2014; Hung & Whittington, 1997; Kraatz & Block, 2008; Ramus et al., 2017; Suchman, 1995), the focus has shifted to examining how organizations can manage their legitimacy through negotiations with various institutional constituencies – including across national boundaries (Kostova & Roth, 2002; Kostova & Zaheer, 1999). Building on Oliver's (1991) seminal typology, a number of frameworks have theorized organizational response to external institutional pressures (along with determinants, enablers and so forth), instanced by accommodation, avoidance/circumvention, resistance, and manipulation. These are proposed as depending on *why* the institutional pressure is being exerted, *who* is exerting it, of *what* such pressure is composed, *how* it is exerted and *where* it occurs (e.g., Cantwell et al., 2010; Regner & Edman, 2014).

Within Oliver's (1991) influential frame, *accommodation* refers to balancing multiple constituent demands in response to institutional pressures and expectations, something that may lead to ceremonial or symbolic adoption where conformity is apparent rather than genuine (Kostova & Roth, 2002; Tolbert & Zucker, 1983). However, where organizational values diverge dramatically from institutional constraints, strategies of defiance and, or, manipulation are predicted to occur more frequently. At the extreme, *manipulation* denotes a response in which managers actively seek to alter, recreate, or control the pressures of the demands imposed upon them (Oliver, 1991). In a more

recent model, Regner and Edman (2014) usefully identify the response of 'arbitrage' whereby the MNC seeks to exploit differences between host and home settings that already exist, along with 'circumvention' responses to effectively dodge the demands of local institutions.

In advancing this research to consider how the MNC and its institutional environments interact over time, Cantwell et al. (2010) – building on North (1990, 2005) – depict a situation where strategic action at the level of individuals and isomorphic passivity simultaneously influence each other (Cantwell et al., 2010 – see also Volberda & Lewin, 2003). Within this context, MNC representatives balance competence-exploiting with competence-creating activities in a process of trial and error. As such, MNC agents can act as catalysts to co-evolutionary change within both formal and informal host institutions, generating new 'rules of the game'.

Institutional co-evolution is deemed to be especially prevalent in – and relevant to – emerging economic contexts (Boettke, Coyne, & Leeson, 2008; Khanna & Palepu, 2000). Here, where formal institutions are typically opaque, limited and poorly enforced (Estrin & Prevezer, 2011) the foreign MNC may lack the information necessary to correctly understand and interpret institutional behavior, such that its LoF is magnified (e.g., Boettke et al., 2008; Child & Tsai, 2005; Khanna & Palepu, 2000; Shirodkar & Konara, 2016). Against this backdrop, the MNC may give up some of its agentic qualities and (almost automatically) adopt certain institutional practices in order to 'play it safe' (Regner & Edman, 2014). On the other hand, institutional fields characterized by ambiguity and complexity can provide greater opportunities for MNC agents to employ political and social skills to enable change – for instance, by leveraging institutional contradictions to their own advantage (Regner and Edman, 2014). In this respect, the MNCs unique social position, as well as its exposure to ambiguous field conditions, may provide advantages unavailable to domestic players (Kostova et al., 2008).

The increasing focus on emerging market contexts – as the 'engines of growth' for MNCs – has highlighted the unique institutional conditions they embody (e.g., Kostova et al., 2020), not only in terms of the weak and, or, lack of formal institutions but also the continuous institutional uncertainty and the reliance on *informal* institutions to fill the void (Boettke et al., 2008; Cantwell



et al., 2010; Khanna & Palepu, 2000). Whereas formal institutions comprise the written (or codified) rules or constraints – such as laws and regulations – communicated through channels widely accepted as official, informal institutions comprise socially shared norms of behavior which are often pre-conscious, taken for granted (North, 2005), and communicated and enforced outside of officially permitted channels (Sartor & Beamish, 2014). Informal institutions such as the norms and cognitions arising from cultural differences (Peng et al., 2008; Shirodkar & Konara, 2016) are held to be more persistent than formal rules, and can thus have profound effects on organizational performance and governance (Estrin & Prevezer, 2011; Williamson, 2000). To date, however, though acknowledging the role of informal institutions as both unique, nebulous and enduring, they have received much less attention. Accordingly, we lack adequate understanding into how MNCs make sense of informal institutions in order to achieve and maintain legitimacy.

Institutional Superstition in Asian Business Practice

Amid the heightened uncertainty and weak formal institutional protection that characterizes emerging markets (Chinchanachokchai et al., 2017), there is arguably no informal institution as directly relevant as superstition (Case, Fitness, Cairns, & Stevenson, 2004; Vyse, 2000). In the Shorter Oxford English Dictionary (2002), superstition is defined as common but unjustifiable beliefs in the effects or nature of a thing deriving from fear of the unknown. Superstition encompasses a wide range of beliefs and behaviors. Within the extant literature, these are most commonly distinguished into positive/negative and proactive/passive. Positive superstitious beliefs and practices attract good fortune (e.g., blessings, numerology, astrology, and so forth) whereas negative practices (such as necromancy and rituals to appease malevolent spirits) ward off the bad (Dagnall, Parker, & Munley, 2009). Proactive superstition allows individuals to seek control over the situation around them, whereas passive superstition denotes circumstances in which outcomes lie beyond their control (Chinchanachokchai et al., 2017; Hernandez et al., 2008).

Superstitious beliefs and behaviors exist wherever there is organized human life. Astrological beliefs, charms, and lucky numbers – even latent beliefs in karma and karmic justice – have been found to influence Western society and business practice

(e.g., Block & Kramer, 2009; Converse et al., 2012). Nonetheless, a wide concord of opinion suggests that they are particularly prevalent across East and Southeast Asian contexts (Chinchanachokchai et al., 2017; Tsang, 2004a; Westjohn et al., 2017). Even in resolutely secular commercial centers such as Singapore, an important place is given to esoteric belief systems, where astrology and animism help people to choose a child's name, secure the right job, or find the best location for starting a new enterprise.

However, despite the increasing body of research on Asian (especially Chinese) management, academic research on superstitious business decision-making remains virtually non-existent. In a rare exception, Tsang's (2004b) study on executives based in Hong Kong and Singapore found that they engaged in four types of superstitious practice: *feng shui*, calculating destinies (date/time of birth, palmistry, meditation, etc.), physiognomy (insight into character from facial structure) and 'consulting the oracle' (mediums – often performed in temples). Held to provide an important additional source of information, superstition is most commonly used in decisions concerning hiring and location. Conversely, and as acknowledged, substituting superstition for careful analysis can lead to nonsensical decisions, which can be damaging – even fatal – for the organization concerned (Tsang, 2004b).

Myanmar Superstition and Western Corporate Response: Institutional and Strategic Considerations

With the relaxation of economic sanctions, and the concurrent shift towards civilian government, an increasing number of Western MNCs are pursuing investment strategies in Myanmar, attracted by its young, 55 million-strong population, vast natural resource reserve and critical geo-strategic location between China and India (Andrews & Htun, 2017; Cockett, 2015). However, despite the recent economic growth, major challenges to incoming multinationals remain – instanced by the limited regulatory framework, low education levels, rampant corruption and widespread (but typically hidden) use of superstition (Manser, 2017; Pennington, 2016; Yin, 2013). Though embodying cultural values widely shared across the Asian sub-continent, Myanmar's institutional profile is largely the product of its unique recent history of isolation and oppression. As such, even with a growing cohort of Western-educated returnees in



Myanmar following the recent political reform, the adherence to traditional values, beliefs, and conventions remains strong (Li & Hofmeister, 2009).

At the ground level, the MNC will experience superstition as a constraining pressure, one 'deeply ingrained in and reflecting a widespread understanding of social reality' of local managers (Meyer & Rowan, 1977: 343) – viewed as the only conceivable, 'obvious', or 'natural' way to conduct an organizational activity (Oliver, 1991; Volberda & Lewin, 2003). For the Western MNC, such beliefs are typically held as contrary to corporate policy, and a potential threat to market performance and reputation (Block & Kramer, 2009; Andrews, Chompusri, & Baldwin, 2003). However, the major challenge for Western MNC executives in Myanmar comes in engaging with superstition in order to be seen as legitimate among host-context subsidiary staff, while at the same time holding firm to corporate values/policies along with the doctrines and regulations of formal Theravada Buddhism (enshrined in Myanmar state law).

Unlike its Mahayana counterpart (pervasive in China and Korea), Theravada Buddhism embodies a stricter doctrinal version of Buddhist practice (Hla, 1985; O'Brien, 1991) stressing the scholastic side of monastic endeavor (dhammadana.org, 2005). Based on scriptural prohibitions against divination, according to which the only orthodox path is through the Buddhist *sangha* (monkhood), superstition and superstitious practice is forbidden in Myanmar (Dhammananda, 1998; Jayawardena, 2015). According to the rules of conduct for Burmese monks, the 227 *Patimokkha* forbid the practice of superstition – held to cause disharmony and division within the *sangha* and to damage public confidence in Buddhist practice (dhammadana.org, 2005). 'Monks' performing such practices, if reported, are liable to punishment in the form of a warning, license revocation, and expulsion. As such, and in contrast to its Southeast Asian neighbors, there exists on the part of formal institutional enforcers in Myanmar a relatively clear divide between superstition and Theravada Buddhist doctrine (dhammadana.org, 2005). Nonetheless, in spite of the stringent governmental restrictions placed upon it to protect official Myanmar Theravada Buddhism, the influence wielded by superstition among the population at large continues apace, symptomatized in the tacit co-existence of superstitious and religious practice that permeate everyday local commerce. For the uninitiated foreign MNC executive, it can thus be difficult to

separate superstition from religion, with fortune tellers routinely setting up stands outside Buddhist temples and 'rogue' monks performing unofficial ceremonies to appease malevolent spirits (Temple, 1906; Yin, 2013).

Against this backdrop of ambiguity and complexity, we seek to better understand how the MNC subsidiary affects and is affected by this informal institution which – while holding huge sway among local subsidiary employees and the wider stakeholder community – is considered illegitimate by formal Buddhist enforcers, and legally prohibited by national law.

METHODOLOGY

With our focus on understanding the dynamic, micro-level characteristics of MNC-informal institution engagement, we pursued a ground-level, interpretive approach centered on data collected from repeat semi-structured interviews, documentation and observation. We chose Myanmar as our host context, within which superstition remains the country's most powerful, pervasive and enduring informal institution (Yin, 2013). In addition, the relatively clear divide between superstition and Theravada Buddhist doctrine (dhammadana.org, 2005) made sourcing data from Myanmar appropriate in that the interrelationship between formal and informal institution in the wake of MNC engagement could be more clearly observed. Myanmar is also a country within which we maintain a high degree of contextual understanding, native language skills and good access (based on personal contacts and, or, commercial experience). As Foster & Kokko (2009) opine, people's superstitious beliefs and behaviors are significantly a product of the environment into which they are acculturated – therefore it is important to fully understand the societal context.

We anchored our collection of data within five Western–Myanmar IJVs to ensure minimal superstitious belief/practice overlap across the parent–subsidiary divide. The local conglomerate, pseudo-named 'SCA' – and from which our local managers were drawn – was known to the third author through prior consultancy engagements. SCA holds JV partnerships with multiple MNC partners from Anglo-European developed economies across a number of industry sectors. From these, we selected first-time IJVs from retail, hospitality, automotive, cinema, and chemicals in order to gain insights from a broad range of business activities. We also



chose subsidiaries that had been in operation for the same approximate amount of time, typically between 2 and 3 years at the beginning of our investigation.

Sampling

We conducted interviews with local subsidiary managers ($n = 11$) and expatriate MNC executives ($n = 11$) at SCA offices based in Yangon, Nay Pyi Taw, and Mandalay. Both cohorts were sourced through a ‘snowballing’ process, initially through SCA gatekeepers and then secured via interviewees either during or post-interview. Respondents were selected purposefully according to a range of criteria. To begin with, we sought MNC executives who were cognizant of superstitious practice among their respective teams and held adequate (> 1 year) knowledge and experience within the Myanmar IJV concerned. We also sought individuals with ground-level involvement in local staff activities, a willingness to participate in our research and, collectively, representation across the five industry sectors. For local managers – mostly recommended to us by our gatekeepers – we sought individuals with knowledge and understanding of superstition both within the IJV and the wider Myanmar societal context, along with a willingness to share their experiences.

Our final cohort comprised ten male and one female MNC executives along with eight male and three female local managers of middle or senior rank. Interviews lasted 45–90 min. In order to broaden and refine our knowledge, we also spoke to local experts from commerce, journalism, and academia, as well as a number of senior Buddhist clerics and civil servants. Interviews with this cohort were conducted in a variety of locations (including a Theravada Buddhist academy, offices, a monastery and a hotel lobby). In total, we conducted 67 interviews with 32 participants from January 2017 to December 2019. Table 1 outlines our informant profile.

Data Collection

Following preliminary discussions with MNC executives and SCA gatekeepers, we collected data in three (overlapping) phases. In Phase One, we focused on building a robust and detailed categorization of superstitious belief and practice among local managers (with the assistance of relevant expert informants). All local manager interviews were conducted one-on-one by the third author in her native Burmese. As noted by Tsang (2004a:

933), people are generally reluctant to describe their superstitions before a stranger for fear of ridicule – something which may affect the quality of information obtained. Given this sensitivity, it was essential that within our research team there was a detailed understanding of context. Interviews began with a general discussion about superstition. Here the third author would confess her own ‘half-believing’ attitudes, upbringing and experiences, using phrases such as ‘we Burmese’ to encourage open exchanges with interviewees concerning their experience and enactment of superstitious practices at the workplace. Based on these discussions, as well as observation and input from our experts, we identified and classified the superstitious practices being used, continuing until no new information was proffered.

In Phase Two, we focused on the response patterns of our multinational corporate executives. For these interviews, both first and third authors were present with the first author taking the lead. We took notes and, or, audio-recordings, based on stated participant preferences among gatekeepers and prior literature about interviewing technique in Asia (e.g., Yukongdi, 2010). In each case, we ensured that notes were written up no more than 24 h after the interview concerned. Documentation and company information were also important as we sought to corroborate (or question) the assertions made by executives regarding their responses in our interviews. In this way, the claimed rejection by MNC executives of superstition in managerial recruitment could be checked through audit trails as regards the appointment concerned, both internally from the specific department, from HR counter-check sheets and, externally, from the respective headhunting agency (where applicable).

In Phase Three, we recorded the attitudes and behaviors of local managers towards the MNC response patterns outlined above. Conducted by the third author, we paid particular attention to how they sought to modify their practices deemed as ‘superstitious’ by MNC executives in order to influence MNC response. We also observed these modifications and then discussed them with formal religious enforcers, supported by archival material from the Kabaye Buddha Research Library, one of several official Buddhist promulgation sources under the auspices of the Department for the Promotion and Propagation of the Sasana, Ministry of Culture and Religion (see also dhammadana.org, 2005; Pitakam & Khuddakanikaye, 2015). As information from these different sources often

Table 1 Participant profile

Participants	Industry	Position	Interviews	
Expatriate corporate agents	Automotive	Business development manager	2	
	Chemical	Operations manager	2	
	Chemical	Country manager	3	
	Chemical	HR manager	2	
	Hospitality	Business development manager	4	
	Hospitality	General manager	2	
	Hospitality	HR manager	2	
	Retail	Market development manager	3	
	Retail	HR controller	2	
	Cinema	Country manager	2	
	Cinema	Business development manager	2	
	SCA local managers	Automotive	Sales manager	2
		Automotive	Admin manager	1
Chemical		HR assistant manager	2	
Chemical		Factory manager	3	
Hospitality		Assistant general manager	1	
Hospitality		Business development manager	3	
Hospitality		HR officer	2	
Retail		Senior administration manager	2	
Retail		Publicity officer	2	
Cinema		Business development officer	3	
Cinema		PR manager	1	
Participants		Occupation	Position/affiliation	Interviews
Myanmar experts		Buddhist monk	Rector, Buddhist academy	2
	Buddhist monk	Abbot, Buddhist monastery	2	
	Buddhist monk	Rector, Theravada studies institute	2	
	Buddhist monk	Head, meditation center	2	
	Journalist	Business correspondent	2	
	Journalist	Culture and arts correspondent	2	
	Academic	Assoc. professor, university	1	
	Academic	Professor, University of Buddhism	2	
	Entrepreneur	Retail, food & beverage	2	
	Civil servant	Admin manager, Ministry of Industry	2	

overlapped, this helped us establish the deeper mechanisms and themes as they emerged. We then held final sessions with senior MNC executives ($n = 5$) to discuss their responses and actions as they became cognizant of these adaptations among their local teams.

Data Analysis

Broadly speaking, the analysis process was steered by our overarching research questions: How does superstition influence the decision-making of Myanmar local managers within the context of formal Buddhist prohibition? How and why do foreign (Western) MNC executives respond? What are the consequences of MNC response in terms of the evolving relationship between superstition and its formal institution counterpart? Based on these questions we began organizing our interview notes

into descriptive categories. Given the wealth and complexity of the data, we examined linkages with the literature throughout the collection process (Locke, 2001). Following procedures recommended by Silverman (2006) and Yin (2018), our formal analysis comprised multiple steps for each of the three investigative phases. To begin with, we independently read and then discussed preliminary lines of interest, comparing and contrasting our interpretations of potential codes and themes. For Phases One and Two respectively, discussions were based on the third author’s translation of interviews with local managers, and our combined interview notes and impressions of MNC agent response. Following our joint interpretation of the interview data, we decided to aggregate the corporate response material in the light of the central similarities noted. For Phase Three, the analysis was



again based on the third author's translated notes along with our joint interpretation of recorded discussions.

Once these discussions were complete, we proceeded to formal coding (Miles & Huberman, 1984), carefully going through each passage of our interviews and tagging the relevant statements (Gioia, Corley, & Hamilton, 2013). We then phased in our summary observation notes and compared the emerging themes with the relevant literature. For Phase 1 we began by grouping the various practices by *type*, for example the divining of good/bad numbers, blessings, appeasing malicious spirits and so forth. Subsequent analysis then led us to *purpose* as a key category, in closer adherence to the business objectives of the managers concerned. Beginning with 'inducing good fortune' and 'arresting bad fortune', further analysis then yielded the more practical sub-variants including personnel selection, negotiation assistance and so forth. Merging these into the prior 'good/bad' dichotomy, we then sub-divided the blessing category ('free from danger' versus 'good fortune inducement'), as well as *practitioner* to distinguish between legitimate monks and their 'rogue' counterparts. We settled our final categorizations on the basis of *method*, *purpose*, *practitioner*, and *practice*.

For Phase Two, we analyzed MNC response (how and why) using an abductive process, beginning with the data itself and then moving back and forth between the emerging findings and the relevant literature. Through the initial comparing and contrasting of data, we began identifying and then grouping the antecedents into 'internal', organization-focused factors on the one hand and 'external' host institution pressures on the other. On further analysis we divided the 'internal' theme into two lower-order codes in accordance with respondent focus on *organizational values-adherence* or *organizational image protection*. We then split the 'external' cluster to reflect MNC executives' attention both to the *role and importance of superstitious practice among local managers* and to the *negative attitudes of formal Buddhist enforcers*. Consistent with the relevant literature, this split suggested the existence of opposing influences symptomatic of a contested institutional system or 'dyad', in this case comprising both formal (Buddhist) and informal (superstition) elements (Cantwell et al., 2010; North, 1990, 2005). These were then 'traded off' by MNC agents, both against one another (i.e., superstition versus Buddhism) and against the demands of

values adherence and corporate image protection as MNC agents deliberated their responses.

For the response patterns themselves, we began by distinguishing 'instrumental engagement' from 'overt resistance' – the former being host context-centered, the latter bound more to the MNC's own values and, or, image. Further investigation then revealed this to be less an issue of 'engagement versus non-engagement' and more one of *degree*. Drawing on extant work into adoption patterns (Kostova & Roth, 2002; Oliver, 1991; Tolbert & Zucker, 1983) we then categorized the alternative configurations. To enhance rigor and external validation we had subject experts review and verify the various steps in the coding process, showing that while the majority of interpretations were in agreement with our own, there remained several differences. Following further discussion, we revised our initial interpretations to gain inter-coder agreement. This eventually led us to the five major patterns of 'tacit acquiescence', 'ceremonial endorsement', 'full endorsement', 'contingent endorsement' and 'rejection', as presented in our Findings.

In Phase Three, our analysis focused on the *consequences* of MNC response. Here, we investigated the adaptations made by local managers, followed by the counter measures enacted by MNC agents and formal institution enforcers. Concerning the former, in examining local manager manipulation of superstitious practices to gain MNC approval, we began coding for practice/ceremony *type* (e.g., spirit appeasement, arresting misfortune, inducing good fortune) and then aligning these to the *objective* (i.e., MNC public endorsement) before we divided them again according to MNC *response* (tacit acquiescence versus rejection). To describe adequately the concealed nature of the exercise – the 'fooling' of MNC representatives into thinking it was something that it wasn't – we compared the phrases employed by our local managers with the terms used in the relevant institutional literature (e.g., 'mimicry' and 'conversion' – see Estrin & Prevezer, 2011; Tsai, 2006). To convey the temporary, covert nature of such practices, however, we settled on the more accurate term of *disguise*. We then discussed our findings with corporate executives, open-coding their converging accounts of mitigation and plans for prevention in order to secure the optimal balance of adherence to 'formally legitimate' and 'informally valued' local practice. Throughout the three phases of analysis we cycled back and forth between the various interviewee cohorts, emerging themes, and the existing



literature, refining codes until we'd reached a point of saturation with incoming information.

FINDINGS

We present our findings in three sections. In the first, we overview the use of superstition in local business practice. We then describe MNC agent response, outlining the moderating influences as well as the response patterns themselves. Finally, we focus on the consequences of MNC response – the reactions and counter measures to ensue among local managers, corporate executives and formal institution enforcers.

Business Practice Superstition in Myanmar

Broadly speaking, superstitious practices were used among local managers to induce good business fortune and prevent – or appease – the bad. Those described to us encompassed either the entire business (e.g., ceremonies for new premises) or specific employee groups and individuals (e.g., fortuitous start dates for new recruits). We identified four major purposes for the superstitious practices employed: personnel selection/deselection, negotiations, location decisions, and business blessings (as summarized in Table 2).

Personnel selection/de-selection

Superstition was widely used among local managers for the purposes of recruitment, promotion, demotion, and dismissal. In recruiting prospective employees, 'signs' drawn from astrology, numerology, and clairvoyance were used to provide additional information (e.g., on destiny or character) to help secure the 'right' individual. As one manager explained, 'what this means in practice is...(that if)...someone with the correct skills and experience doesn't have a good fate sign then we should choose someone else' (Expatriate Business Development Manager, Hospitality). 'Astral signaling' of this kind was also used in staff promotion and dismissal. Individuals with bad luck in their 'stars' were more likely to be laid off during company downsizing. As one MNC expatriate remarked, 'a lot of this is calculated on days and times of birth, but they can also do it by looking at your photograph' (Expatriate HR Manager, Hospitality). Another noted that, 'any disability – even a scar – can be taken as a sign of bad *karma*, so that person can be got rid of when things aren't going well' (Expatriate HR Manager, Chemicals). Such selection decisions were then fine-tuned

by learning the most auspicious time and, or, place for a start date (for a new recruit) and end date (for a dismissal).

Negotiations

Local managers would consult fortune tellers to help secure favorable outcomes when meeting with external parties. Prior to the meeting, the advice would focus on the optimal venue/place (e.g., 'south of the river'), and favorable days and, or, times to meet. As one local recounted, 'sometimes he tells me which is the best place, but if it is not possible then he will give me another choice...' (Sales Manager, Automotive). In addition, fortune tellers would typically advise on the best time to begin the meeting itself. In situations where the 'where' and the 'when' were fixed in advance – e.g., with a government minister – then an inauspicious situation would need to be 'compensated' for. To do this, the fortune teller would – for example – stipulate what kind of food or drink to imbibe before departing, as well as the best time to arrive. While in progress, the outcome of the meeting could be influenced by the direction towards which one sits (for example, north or south). The fortune teller may also advise on what color clothes to wear, what kind of gemstone to carry on one's finger, and, or, what type of flower to apply (e.g., jasmine) about one's body or hair.

Where the manager concerned was negotiating a prospective alliance, the fortune teller would be engaged to make specific calculations regarding the suitability of the individuals concerned. This evaluation would then be considered alongside other more standard criteria such as strategic fit, credit-rating and so forth. As one local manager remarked, 'if the partner or the person representing (*the prospective partner*) has an inauspicious birthdate then they may opt for an entirely different company' (HR Assistant Manager, Chemicals) or, between them, to arrange for a 'different person to sign the actual contract...' (Assistant General Manager, Hospitality). Concerning the latter, a common practice was to use the name of a close relative of the business partner concerned in order to secure 'matching' days of birth (e.g., a 'Monday child' with a 'Thursday's'). At the extreme, the person concerned may adopt a 'new' name associated with a more auspicious day of birth – made, for example, by public announcement in a newspaper. Another common practice used in negotiations

**Table 2** Overview of superstitious practice use

Purpose	Method	Practitioner	Practice
Selection & dismissal: providing additional information	Astrology/numerology/clairvoyance	Specialist fortune tellers: <i>Bay htin saya, Lat khan nar sayam Ah kyar ah min</i>	Fortune teller conducts at his/her residence or 'office'
	Astrology/numerology/clairvoyance	'Rogue' monk	Informal consultation given by monk in contravention of his formal role/duties, usually in his temple quarters
Negotiations: providing additional insight	Astrology/numerology/necromancy	Specialist fortune tellers: <i>Bay htin saya, Lat khan nar sayam Ah kyar ah min</i>	Fortune teller conducts at his/her residence or 'office' – for necromancy (<i>yadaya</i> or compensation) at relevant pagoda or shrine
	Astrology/clairvoyance	'Rogue' monk	Informal consultation given by monk in contravention of his formal role/duties, usually in his temple quarters
Location decisions: providing additional information	Astrology/clairvoyance	Fortune teller: <i>Bay Htin Saya/Ah khar tau pay saya</i>	Fortune teller conducts at his/her residence or 'office'
	Astrology/clairvoyance	'Rogue' monk	Informal consultation given by monk in contravention of his formal role/duties, usually in his temple quarters
Blessings (i): Rendering free from harm/danger	Chanting of <i>suttas</i> in Pali language	Monk	Monks attend and participate (chant, recite, dine, and share merit) at company event at invitation of local manager(s), usually the day before formal opening/use
Blessings (ii): Inducing prosperity/good fortune	Chanting of <i>suttas</i> in Pali language plus the invoking of celestial assistance in Burmese	'Rogue' monk	'Rogue' monk(s) attends and participates (chant, recite, dine, and share merit) at company event at invitation of local manager(s), usually at least a day prior to formal opening/use

concerned trying to weaken one's opponent' using spirit worship (necromancy), enacted by the fortune teller by visiting a selected shrine.

Location decisions

Here, the fortune teller would be solicited to divine fortuitous locations, as well as advise on those to avoid. Usually, this would be based on insight meditation to read for omens and luck. Where a certain site was deemed as inauspicious (e.g., due to rumors of hauntings, deaths, or catastrophes), the fortune teller would check whether the decision should go ahead or not based on his power to 'compensate'.

In general terms, the practices described above were administered by a fortune teller frequented and trusted by the individual manager concerned. In each case, the fortune teller would charge a fee for his/her 'intervention', a fee paid cash-in-hand and undeclared given that the business of fortune-telling was – and remains – illegal in Myanmar.

Interestingly – and with important implications for this study – there were also individuals licensed as monks who provided similar services having become self-proficient in astrological reading and 'divination'. These monks ('rogue' or 'fake' monks as referred to by our senior Buddhist clerics) would give readings in their temple quarters, ostensibly to help others although invariably receiving a private donation in return. As discussed below, however, this was neither accepted by Buddhist enforcers nor backed by state law. As the senior Rector from the Theravada Buddhist Studies Institute remarked, '...these are mostly Sri Lankan or Indian imports, it is not Buddhism, a monk should not do this'. Indeed, 'monks' performing such practices were liable to punishment in the form of a warning, license revocation and expulsion from the monkhood if reported. In practice, however, penalization was rare within the commercial sector where the tacit allowance and tolerance of such activities was, and remains, the norm.



Business blessings

Blessings were held both for new business 'hardware' (e.g., land and equipment) and – more commonly – for the opening of an entirely new venture. For the latter, a 'cleansing' ceremony was especially common if the land on which the premise was to be constructed was once (e.g.) a graveyard, or the scene of a disaster. Typically, this would be organized by local managers and conducted by monks who would pray, chant *suttas* from the Pali canon of Theravada Buddhism and share merit (*rend gada*) in order to neutralize danger. In this way, the hosts could go about their business soundly. Importantly, such a ceremony was deemed to be legitimate by senior Buddhist clerics in accordance with formal doctrine. Conversely, however, where the aim was to induce good luck and prosperity this was viewed as 'superstitious' and 'nothing to do with Buddhism' (Abbot, Buddhist monastery). One key example concerned where 'rogue' monks added unofficial verbal content to a ceremony using common Burmese (instead of Pali) phrases to promise good fortune in expectation of a more generous donation. According to both senior clerics and Buddhist documentation, 'a monk's duty is to offer prayers with kindness and sincerity to deal with bad spirits, not for the purpose of 'making false promises for money' (Head, Buddhist meditation center – see also Pitakam & Khuddakanikaye, 2015). Several of our participating Buddhist senior clerics cited the rules of conduct for Burmese monks, the 227 *Patimokkha* which forbid such practices held to be damaging to harmony within the *sangha* as well as public confidence in Buddhist practice (dhammadana.org, 2005).

However, despite these admonishments, the practices continued. Indeed, among local employees of all hierarchical levels (and much of the Myanmar population as a whole) such practices were seen both as legitimate, desirable, and *necessary* for survival and prosperity. As one of our experts explained, 'you have to remember that animism in Myanmar pre-dates even the arrival of formal Buddhism...' (Professor, Yangon University of Buddhism – see also Aung, 1962). As such, the various activities were tacitly tolerated and habitually uncontested. This formed the institutional backdrop against which MNCs responding to the use of superstitious practice among their local managers were to contend.

MNC Response to Local Manager Superstition

MNC agents pursued their responses according to a configuration of internal, corporate considerations on the one hand and host context institutional pressures on the other. Intra-corporate factors prioritized the importance of organizational values adherence (in terms of employee behaviors) and the related concern with protecting (construed) external image. Host-context institutional constraints were also dual in nature, reflecting the MNC's desire to be seen as legitimate both with the adherents of local superstitious practice (i.e., local managers/employees) and, simultaneously, with the demands of formal Buddhist enforcers and state officials. This twin cluster of determining factors yielded four specific antecedents, namely: (1) degree of formal institution (Buddhist) approval, (2) potential negative MNC reputation impact, (3) MNC values adherence, and (4) construed performance impact among local managers. In response to this configuration of pressures, we uncovered multiple response patterns among MNC executives, specifically *rejection*, *full endorsement*, *ceremonial endorsement*, *contingent endorsement* and *tacit acquiescence* (Table 3).

Rejection

This denotes a practice construed as superstitious by MNC expatriate representatives and overtly challenged and, or, resisted as a consequence. As a response mode, rejection was comprised of three components. The first was the perceived illegitimacy of the practice in the eyes of formal institution enforcers, i.e., senior Buddhist clergy (backed by Myanmar state law). From the perspective of our corporate agents, if the practice was seen as 'superstitious' according to formal Theravada Buddhist regulations then it was rejected. Importantly, this was so whether or not the practice in question was seen as legitimate among local subsidiary managers. As one executive explained, 'The superstition that goes on makes things so much more difficult... we feel like we're walking on eggshells here as it is, but at least with Buddhism you can feel confident in an institution that's definitely 'legit', that's respected, I mean not only by the law here but across Asia, so we do our level best to adhere' (Expatriate Country Manager, Chemicals).

The second element of the 'rejection' response comprised the construed negative impact of superstitious practice on the corporate brand reputation. Within Myanmar, the pervasive view was that '...with all the negative press fixed on this country,

**Table 3** MNC response to superstitious practice use

Response type	Construed potential negative MNC reputation impact	MNC values adherence	Formal institution (religious) approval	Perceived importance among local managers
Rejection	High	Weak	Low	n/a
Endorsement – full	Low	Strong	High	n/a
Endorsement – ceremonial	Low	Weak	High	n/a
Endorsement – contingent	High	Weak	High	n/a
Tacit acquiescence	Low	Weak	Low	High

of course we're majorly sensitive about our reputation. I mean, while 20 years ago when working in a big Western multinational what you did in a small developing market nobody cared...now, with social media, what we do here is actually *more* important...(because)...it's so easy to put a foot wrong and then be castigated for it everywhere' (Expatriate Business Development Manager, Hospitality). In this context, Myanmar Buddhism (as both a national and supranational formal institution) provided what was seen as a 'safe haven' of institutional legitimacy with a significant positive spillover effect. Thirdly, 'rejection' meant that the practice was seen as being non-adherent to the MNC's values and policy – for example in the use of a fortune teller to 'assist' in managerial level recruitment, seen as contravening corporate anti-discrimination values, or used to dismiss certain employees due to their perceived 'bad karma' characteristics. One executive remarked that 'not only is this patently not Buddhist, it's also a reputational risk for us because it flies in the face of our core values for meritocratic selection procedures...we wouldn't, couldn't allow that to happen that whatever the performance here...' (Expatriate Business Development Manager, Hospitality). Stated formally:

Proposition 1: To the extent that a practice perceived as 'superstition' by MNC agents embodies a low degree of formal institution (i.e., religious) approval, a high potential MNC reputation impact, and weak MNC values adherence, the response mode – irrespective of perceived performance impact among local managers – will be *rejection*.

For Rejection, as with the other MNC response types, additional illustrative quotations can be seen in Table 4.

Endorsement (full and ceremonial)

Concerning MNC endorsement of local managers' superstitious practices, we uncovered three types: 'ceremonial', 'full' and 'contingent.' These all embodied an overt, public expression of approval from the MNC expatriates (typically in attending a ceremony) for a practice accorded formal religious legitimacy. In distinguishing between full and ceremonial variants, whereas the latter denoted the formal approval of a practice seen as only weakly (or indirectly) in line with corporate values/policy, *full* endorsement denoted the contrary, i.e., strong adherence.

As one expatriate explained, 'I don't personally believe in the power of monks to ward off future misfortune or whatever, but so long as it's legit here (i.e., *in Myanmar*)...(and)... it helps express our civic responsibility, our support for these developing countries to help them gain confidence...then we're happy to do so because that's what we're about...' (Expatriate Country Manager, Cinema). By contrast, where MNC representatives felt the act of publicly approving such a practice held only weak alignment with corporate policy and, or, values, then the endorsement granted was only symbolic. 'We show our support because we're guests here and it's our policy to respect the local culture...we don't want to offend or come over as all 'high and mighty' but on the other hand we don't have a tailored approach towards developing countries such as Myanmar...it's really one of face respect, of courtesy rather than a specific policy....' (Expatriate HR Manager, Chemicals). Notably, both endorsement types did not involve any explicit MNC concern with reputational damage or with the perceived importance attached to the practice by local managers. Rather, the issue concerned the extent to which the practice was felt to adhere to corporate values and policy. Stated formally,



Table 4 Illustrative data: MNC executive response patterns

Response	Example	Supportive quotes
Rejection	Managerial recruitment	"If you're talking about recruiting a gardener because of his star sign then fine, so long as he's able-bodied, I don't care...but when you're talking about our senior management team then it's nonsensical, these are strategic decisions that are being made here, the consequences could be (shrugs) incalculable. We have our name on the line here and that goes far beyond Myanmar...(and)...it's not even authentic here, is it? We're cool with religion, we respect it, but black magic...no it's not even Burmese...it's hocus-pocus." (<i>HR controller/Retail/Australian</i>)
	Laying off disabled staff	"Normally at that level I do not get involved...(because) it's not going to have any major effect, but in this case we cannot allow the superstitious reason to be used to lay off a handicapped staff member no matter what the level. Why? Because of our brand, because of our values, we do not discriminate, it's in black and white on our website, on our intranet, it's a core value so." (<i>Country manager/Chemicals/British</i>)
	Selection of key suppliers	"Supply, in our industry, is all about the hardware, the screens, the soft walls, the acoustics. It needs to be a seamless experience of our product and our brand. We can't take any chances as our reputation depends on this...so for this reason we refuse any input of superstition choosing suppliers...(and) anyway this is not Buddhism." (<i>Business development manager/Cinema/American</i>)
Endorsement (Ceremonial)	Blessing of hotel	"We have no...interest in such things, but we are the guests here in Myanmar and so we have to respect...(so)...we are pleased to attend and be a part of it...but we have no specific policy for this kind of local engagement, though we respect the local traditions nonetheless." (<i>General manager/Hospitality/Singaporean</i>)
	Location 'cleansing' ceremony	"They tell me that local people...will not visit and won't work at our store...so a ceremony was done to clean the land on which we have our supermarket...(as)...I attended the event because it's official Buddhism and I feel I should show my face. And that's okay, even though it doesn't exactly fall in line with any policy of ours, at least for developing economies like this one." (<i>Market development manager/Retail/Danish</i>)
Endorsement (Full)	Blessing of showroom	"Here I was all for it, it's Burmese tradition, officially, and as a company we need to be seen to engage in showing our commitment to the country, helping them develop through showing our commitment to supporting their community practices. It's the same as every developing market where we do our business...especially when it's a totally different culture." (<i>Business development manager/Automotive/German</i>)
	Blessing of new production site	"We have a policy of cultural respect for the more emerging type of country here (<i>i.e.</i> , East Asia), and that includes a tailored approach to things like this...it doesn't affect our name, it's in line with our policy of community engagement so for that reason I was fine with it..." (<i>Country manager/Cinema/Kiwi</i>)
Endorsement (Contingent)	Blessing of chemical truck	"...(the) roads here are a deathtrap...with all the accidents of late the staff have brought monks into bless the fleets each morning...I don't have a problem with that as such and we added our endorsement, but we also made sure they got a double-checking over...before we let anyone out..." (<i>Country manager/Chemicals/British</i>)
	Guarding the sacred Banyan (Bodhi) tree	"...this tree is sacred to the locals as Buddhists and so they were very uncomfortable in our bid to cut it down...(yes), it was a hazard because the roots were destabilizing the blending silo, spreading out like 'billyo'...(so) the monks came in and blessed it to make it safe and we decided to show our support and respect...but at the same time I called the Ops manager and with some environment and engineering guys from outside we got protective barriers put in and diverted the problem..." (<i>Market development manager/Retail/Danish</i>)
	Refusal to kill kitchen insects	"we had a problem with customers complaining about insects on their food...salads, soups, we just can't allow the possibility of...food issues, or mosquitos flying around the catering or dining areas...(but) the staff were dead set against using the racquet (<i>electrocution swatter</i>) that...(Italian restaurant chef)...uses to kill them with because it runs counter to their Buddhist beliefs. We respected their wishes but I was so uncomfortable myself I made sure we got double the usual supply of aroma sticks and lemongrass sprays to make up for it..." (<i>Business development manager/Hospitality/Austrian</i>)
Tacit Acquiescence	Low-ranking staff recruitment	"The recruitment team will sometimes use predictions from astrological charts for choosing staff...and I don't stop them because it will lead to bad feeling. So while it's not something I, on behalf of my company, would support overtly...if this was a managerial recruitment then it would be impossible...but these are low-level staff, admin, porters, drivers." (<i>HR controller/Retail/Australian</i>)
	Negotiation aids based on mystic readings	"At the top level I've never heard of it and there's no way we'd sanction it...but to be honest that's fine if it makes people feel more assured. It's not going to do us any harm and may even help – so while I don't formally endorse I do give them some flexibility...like 'laissez faire': (<i>Market development manager/Retail/Danish</i>)
	Positioning office appliances for good fortune	"I know they move the desks around based on advice given from fortune tellers – if it was <i>feng shui</i> by a certified authority that's one thing, but these are just local 'quacks' as I call them – but whether it's official or not, I can't see any harm, the other party doesn't even know about it, and it makes for a motivated team." (<i>Country manager/Chemicals/British</i>)
	Signaling lucky colors on vehicles	"On our delivery vans transporting guests and equipment and I noticed script on the backs and 1 day I asked about it and I was told it said something like oh 'this truck is red' – written on a white vehicle, or 'this car is yellow' and so on...And I was told it's a trend here, but I let it go...there's nothing to damage us, it's trivial." (<i>Business Development manager/Hospitality/Austrian</i>)

Proposition 2: To the extent that a subsidiary practice perceived as 'superstition' by MNC agents embodies a high degree of formal institution (religious) approval, a strong adherence to

MNC values, and a low potential MNC reputation impact, the response mode – irrespective of perceived performance impact among local managers – will be *full endorsement*.



Proposition 3: To the extent that a subsidiary practice perceived as ‘superstition’ by MNC agents embodies a high degree of formal institution (religious) approval, a weak adherence to MNC values, and a low potential MNC reputation impact, the response mode – irrespective of perceived performance impact among local managers – will be *ceremonial endorsement*.

Endorsement (contingent)

In contrast to the ‘full’ and ‘ceremonial’ variants, contingent endorsement describes the MNC response to a practice that is officially approved by Buddhist enforcers but seen to be of potentially high negative reputation impact. The ‘contingent’ element here refers to the endorsement being given only if backed by discrete, unilateral action on the part of corporate agents to minimize the perceived risks. One example concerned the use of fireworks, lanterns and, or, candles to celebrate a range of events in the Buddhist calendar (e.g., the end of lent). Despite viewing such events as risky to the safety of participants – as well as the wider public-at-large – corporate agents chose to endorse such events publicly while simultaneously taking measures to prevent unforeseen occurrences. Typically, this was achieved via enhanced monitoring and preparations – including limits placed on the number and the type of fireworks used. As one executive remarked, ‘our reputation is already on the line here, so you can imagine the fallout should any injuries or worse occur if one of these lands and catches fire or worse, like so many stories we keep hearing about – and it’s not just about our guests but anyone within striking distance outside...so we need to do what we can without causing offence...’ (Expatriate General Manager, Hospitality).

Another example concerned the refusal by local staff to use electric racquets to rid the kitchen of potentially harmful insects. This had been tacitly allowed by local managers who shared their Buddhist-derived unease with killing any creature, along with the ‘karmic retribution’ to follow. According to one hospitality manager, ‘we expressed our respect for the view of our staff but that didn’t stop the problem (*i.e., flies on the food*) being there...(with)...more than one guest complaining, as well as our catering manager, so we had to look at other, additional options among ourselves to prevent these things getting in the kitchen prep areas....’ (Expatriate Business Development Manager, Hospitality). Stated formally,

Proposition 4: To the extent that a subsidiary practice perceived as ‘superstition’ by MNC agents embodies a high degree of formal institution (religious) approval, a weak adherence to MNC values, and high potential MNC reputation impact, the response mode will – irrespective of perceived performance impact among local managers – be *contingent endorsement*.

Tacit acquiescence

This denotes the implicit allowance of a practice by corporate agents despite it being considered superstitious (and thus illegitimate) by formal institution advocates/enforcers and holding only weak adherence to corporate values and policy. Tacit acquiescence stemmed from two key influencing factors. The first of these was the high consequential importance ascribed to the practice (*i.e., in influencing performance fortunes*) by the local managers. The second comprised the perception that the potential reputational damage to the MNC of the practice was sufficiently low to be *more than offset* by the gains to be had through allowing the practice to continue.

One example concerned corporate agents refusing to attend an event seen as superstitious by formal Buddhist enforcers while simultaneously allowing their local managers to proceed. This was instanced by a ceremony held before the gates of a chemical factory to address production problems attributed to the ‘bad luck’ cobra statue erected in front of the snake farm opposite. The ceremony itself was designed to appease the malevolent spirit through compensation (or *yadaya*), attained through a combination of fortune teller engagement and the creation of a spirit-house. As the expatriate country manager for the Chemicals MNC recounted, ‘I didn’t accept it and I didn’t attend...but peace of mind is very important here, so I just let them get on with it’.

Various superstitious practices used in negotiations were also tacitly tolerated. ‘Of course, we cannot prevent a staff member eating an orange or wearing a jasmine-scented hair clip or whatever in a meeting with a potential customer. But I wouldn’t stop it anyway because it would only cause anxiety and distress without actually helping anything. Our name doesn’t suffer as such, the business here doesn’t suffer...(although)...for sure we wouldn’t approve it *up front*’ (Expatriate Market Development Manager, Retail).

Tacit acquiescence also formed the response mode to the use of astrology to help select staff in low, non-strategic positions – for example where a



site foreman was recruiting security guards. 'Look, I don't agree with recruiting staff because he or she has a monkey birthdate ...but if it makes them feel better then so long as they tick the other boxes it's ok with me' (Expatriate Operations Manager, Chemicals). Finally, one executive argued that whereas '...logically, these kinds of rituals aren't linked to performance, as outsiders we sometimes need to be patient and not apply the same judgments that we might back home... they're not to do with our values as such so why start raising a voice against this if the negative implications are marginal?' (Expatriate HR Manager, Chemicals). Stated formally,

Proposition 5: To the extent that a subsidiary practice perceived as 'superstition' by MNC agents embodies a low degree of formal institution (religious) approval, a high degree of perceived performance impact among local managers, weak adherence to MNC values and low potential MNC reputation impact, the response mode will be *tacit acquiescence*.

Consequences of MNC Response: Institutional Disguise, Legitimacy Thresholds and Formal-Informal Institution Realignment

From the perspective of the local subsidiary managers, MNC response modes were initially a source of confusion as the tacit co-existence of religion and superstition in their everyday business practice was disrupted. Desirous of securing the Western MNCs' endorsement (and the attendant prestige and credibility) on the one hand, they were also anxious to continue enacting their own beliefs and practices (now labelled 'superstitious') on the other. Against this backdrop, as local managers became habituated to MNC response patterns, so they learned how to predict and, over time, manipulate them. In particular, by taking advantage of the MNC agents' relative ignorance of local norms, they found that they could gain their endorsement of a superstitious practice by disguising it as Buddhism and hence 'formally legitimate.' The most popular method was through the donning of Buddhist robes by 'rogue monks' – for instance when MNC executives attended the common (though formally illegitimate) '*yadaya*' ceremony to appease malevolent spirits. As one local manager explained, '...it's important for customers that the foreigner (i.e., MNC executive) attend, so we need monks to be there if that is what they

want...(but)...actually anyone will do, anyone who can wear robes and chant.' (Publicity Officer, Retail).

Another reported that 'if we do this Buddhist-style with monks, he (i.e., MNC agent) will come and show his face and that is good for us but if he knows it's just a fortune teller wearing the robe he won't accept...' (Factory Manager, Chemicals). Perhaps surprisingly, although the process of becoming a licensed monk ('*Ashin*') in Myanmar is rigorous – involving examinations, interviews, vows, sponsors and documentary evidence submitted to the Ministry of Religious Affairs and Culture – the procurement of a robe is not. As one expert observed, '...there are no authentic markings as such, it's really just a piece of fabric tied and arranged...in any case no one would dream of asking questions, because the belief here is that if you criticize a monk you will go to hell, whatever the reason...' (Journalist, Culture and Arts). Within this context, the use of 'fake monks' for ceremonies became common within each of our subsidiaries, ratifying Oliver's (1991) prediction that the *appearance* of conformity may alone be sufficient for the attainment of legitimacy (1991: 155).

Probing more deeply, these disguise efforts also revealed the existence of a threshold dividing superstition and formal Buddhism, a perceptual boundary where informal legitimacy ended and formal legitimacy began. Within this context, local managers only needed to focus on making the superstitious ceremony formal enough, i.e., *sufficiently* legitimate to gain the MNC's public approval. This is not to say that the boundary was always clear, however. In contrast to the straightforward issue of visual disguise (as described above), we also uncovered the existence of multiple gray areas among local institutional actors. One example concerned the blessing of a location, premise or equipment, where the solicitation of 'freedom from danger' in Pali (*rend gada*) was considered to be legitimate Buddhism yet the inducement of good luck in common Burmese was not. And whereas, for certain observers, the latter amounted to profanity, for others it was more nuanced depending on the motivation of the individual concerned, specifically whether from kindness (*metta*) or (e.g.) in the expectation of a larger donation. For MNC executives typically unaware of these distinctions, a knowledge of the differences could, nonetheless, be of potentially significant use – for instance where a good-luck blessing based on covert, formally



prohibited input was to influence a major local decision on site location.

Within the extant literature, such deliberate obfuscation ('blurring') of the boundary between formal and informal institution is something largely unaccounted for. Perhaps the nearest construct, 'institutional conversion' refers to the practice of private enterprises in reformist-era China disguising themselves as collective concerns in order to work around the legal restrictions on organizational headcount (e.g., Tsai, 2006 – see also Estrin & Prevezer, 2011). This practice – described as sporting a 'red hat' – served as an effective ownership camouflage to make an illegal institution appear formally legitimate. However, such conversion differs significantly from the practice of disguising superstition as Buddhism, because although also involving the appropriation of formal symbols to legitimize an illegal practice, it nonetheless denotes an objective *shared* among both formal and informal institution advocates (i.e., state officials and private business owners) (Tsai, 2006). By contrast, the institutional disguise in our study embodies an act of deception by local managers in appropriating Buddhist formal symbols to render a superstitious practice 'endorsable'. As such it was neither abetted nor agreed on by formal institutional enforcers or the endorsing MNC executives – quite the contrary.

Over time, as the local managers in our study were unable to sustain this deception, this use of disguise soon appeared to wane. Indeed, on returning to the field during the second year of our study, we found that such cases had all but ceased. MNC agents, progressively cognizant of the practices, began taking measures to mitigate the effects and prevent their re-occurrence. Typically, these involved the assistance of the senior local JV directors and shareholders who, while themselves unconcerned with the issue, nonetheless wished to keep the relationship healthy with their MNC partners. As one expatriate recalled, '...at first, we were ok as we were sold the idea this was Buddhist practice...but as we began to realize this was not always the case, we had a sit-down with our partner (i.e., the owning family) to consider the steps to be taken' (Expatriate Country Manager, Chemicals). Another remarked that 'the issue here is one of trust. We do our best to adhere to legitimate Buddhism in respect of the culture we are in and then we get this going on...we need it (i.e., *the threshold between Buddhism and superstition*) to be clear and then respected so at least then we know

what we're doing...' (Expatriate Business Development Manager, Hospitality). Notwithstanding such admonishments, MNC executives were also mindful of the need to retain local managers' good will. In a broadly representative quote, one corporate executive opined, "while *they* know that *we* know what they've been up to, at the end of the day these beliefs of theirs aren't going to go away...(so)...rather than simply banging our heads against a brick wall we've not gone for more drastic measures than more stringent monitoring" (Expatriate Business Development Manager, Automotive).

At the wider level, MNC actions designed to address institutional disguise comprised an attempt to formally realign the relationship between religion and superstition, explicating and clarifying the distinction between them. Seen as a move to diverge the dyad – following prior attempts by local managers to converge or 'blur' it – these findings help us enrich existing theory by factoring in the temporal dimension currently lacking in much of the literature on MNC–institution engagement (e.g., Cantwell et al., 2010) institutional multiplicity and incongruence (Besharov & Smith, 2014; Ramus et al., 2017; Webb et al., 2009), and formal–informal institutional interaction (e.g., Estrin & Prevezer, 2011; Helmke & Levitsky, 2004). Concerning the former, whereas prior research has couched MNC–host institution response in terms of conformity, accommodation or defiance, there has been little in the way of attention to addressing the nature of MNC posture *adaptation* (despite repeated calls – see e.g., Cantwell et al., 2010). Our study informs this caveat by highlighting *how* and *why* such changes occur – in this case through the de-emphasizing of local performance impact considerations in favor of a greater concern with corporate values adherence, image protection and formal institution strictures. Otherwise stated, the initial compromise of MNC ground-level behavior to conform to local manager practice norms (through tacit acquiescence and endorsement) changed to one where MNC agents not only defied but sought to manipulate the influence of the informal institution.

Uncovering the mechanics of this process also informs how we understand formal–informal institutional evolution (Helmke & Levitsky, 2004) within the context of Western MNC engagement. Specifically, we show how the two components of an institutional dyad may converge and diverge – in this case *converge* to the extent of the 'blurring' by local agents (who saw the rapport between



superstition and religion as complementary), *diverge* in terms of the re-separation demanded by formal enforcers (along with corporate executives) who viewed the relationship as competing. This also speaks to the literature emphasizing the role of stakeholder perspective in demarcating the formal–informal institution distinction (e.g., Kraatz & Block, 2008), as well as the more general processes of MNC–institution engagement in an emerging subsidiary context (Aguilera & Grogard, 2019; Lundan & Li, 2019).

DISCUSSION AND IMPLICATIONS

In this article we have examined the antecedents, processes, and consequences of MNC response to superstition in a host context where its influence is prohibited by its formal institutional counterpart, banned by national law and runs counter to the policies of the MNC itself. Existing studies on MNC–institution engagement propose typologies of response types ranging from accommodation to circumvention, avoidance to resistance – enacted depending on a cluster of conditions concerning who, why, when and where (e.g., Cantwell et al., 2010; Regner & Edman, 2014 – see also Oliver, 1991). However – implicitly or otherwise – these assume that the MNC is managing its legitimacy within the context of pressures from an external, unitary, formal host-context institution.

Recent work on institutional incongruence has advanced our understanding of the legitimacy contestation which can occur within a society's formal–informal institutional systems (e.g., Littlewood et al., 2018; Webb et al., 2009; Williams et al., 2015). However, with a focus on reporting and explaining informal economic activity, the implications for how the organization (specifically the MNC) affects and is affected by such institutional conditions remain unaddressed. In a similar vein, studies into institutional pluralism and complexity (e.g., Besharov & Smith, 2014; Kraatz & Block, 2008), while identifying and explaining their respective foci, have also remained largely silent as to the implications of such increasing complexity for the organization. This lacuna is especially salient for the MNC subunit seeking to manage its legitimacy in an emerging country context, where there remains a marked paucity of in-depth, 'thick' empirical inquiry (Aguilera & Grogard, 2019).

Against this backdrop, this study has addressed the challenges faced by an MNC subunit navigating the prescriptions of both an informal institution

and its formal institutional counterpart *simultaneously* under conditions of contested legitimacy within the dyad itself. In exploring MNC response to this dilemma, this paper expands and deepens our understanding of MNC–host institution engagement, with a number of implications for how we understand corporate practice legitimation (Cantwell et al., 2010; Kostova et al., 2008) as well as, again, the evolving relationship between the relevant formal and informal institution (e.g., Estrin & Prevezer, 2011; Helmke & Levitsky, 2004).

Contribution and Implications for Theory

Our first contribution stems from the typology we propose to theorize MNC response to superstition, a set of 'ideal' methods to navigate superstitious practice use among local subsidiary managers. Collectively, we predict that MNC subunits responding more closely to one of these response types will balance efficaciously the influences of corporate reputation impact potential, formal institution (religious) approval, corporate values adherence, and construed local performance impact. Understanding these response types lays the foundation for wider theory development into how the MNC should engage with a powerful host country informal institution where it is prohibited by its formal institutional counterpart, banned by state law, contravenes the values and practices of the MNC itself and threatens its reputational equity.

Our second contribution, in highlighting the role of institutional legitimacy contestation and disguise, advances our understanding of the dynamism within MNC–institution engagement (Cantwell, Dunning, & Lundan, 2010; Regner & Edman, 2014). Research to date, while assuming change in the MNC's stance towards institutional demands over time and context, provides little or no empirical evidence as to how or why (e.g., Besharov & Smith, 2014) and it is to this current gap that our findings connect. To recap, because MNC engagement served to disrupt the tacit co-existence of religion and superstition in local business practice, local managers sought to mend the rift, blurring the distinction between the two through the tactics of visual disguise (see also Regner & Edman, 2014; Tolbert & Zucker, 1983; Zajac & Westphal, 1995). Becoming aware of such practices and the perceived risks and deception which they signified, the MNCs shifted their strategic stances from accommodation to defiance or – more accurately – along a continuum from one to the other as they sought to (re)separate the



formal and informal elements of the dyad and (re)explicate the demarcation line between them.

In uncovering the micro-dynamics of this process, we answer the call of researchers for more fine-grained, empirical insight to explain MNC–institution engagement (Cantwell et al., 2010: 571; Kostova et al., 2008) within a context of complex, incongruent institutional demands as well as highlighting the evolution of the formal–informal interrelationship within the institutional dyad itself (Estrin & Prevezer, 2011; Helmke & Levitsky, 2004). We also address the calls for more attention to process generally in MNC legitimacy management studies, notably in the fluid, uncertain institutional environments held to characterize emerging country contexts (e.g., Kostova et al., 2020 – see also Volberda & Lewin, 2003).

Finally, in exploring superstition a powerful, pervasive informal institution, we uncover a pervasive – but to date neglected – element of the liability of foreignness experienced by the Western MNC in an emerging (Asian) economy. By focusing on the *micro* aspects of MNC subsidiary response to superstition, we highlight how inexperience with host context superstitious practice can leave the MNC open to effects unwanted, unseen, yet with extensive negative consequences (Xu & Shenkar, 2002; Zaheer & Mosakowski, 1997). Recent research into LoF has tended to emphasize the advantages the MNC may hold over domestic firms, for example through the ability to leverage a boundary-spanning multinational social position (e.g., Regner & Edman, 2014; Shirodkar & Konara, 2016). In exploring host context superstition, however, we found that such advantages only barely applied. Indeed, inexperience in dealing with this pervasive informal institution constituted a major *disadvantage*, aggravated by its invisibility to the uninitiated foreign actor. By identifying and exploring this phenomenon, we inform how MNCs can better understand the determinants and dynamics of their LoF – as well as how to manage them (Estrin & Prevezer, 2011; Zaheer & Mosakowski, 1997).

Implications for Practice

Emerging Asian markets are widely viewed as being among the most important as well as the most challenging for Western MNCs to understand and manage (e.g., Kostova et al., 2020). The formal institutional limitations held to characterize such environments means that understanding the role *informal* institutions play in the motivation and functioning of firms and their agents is critical

(Estrin & Prevezer, 2011; Khanna & Palepu, 2000). Across emerging East and Southeast Asian contexts, superstition is perhaps the most pervasive, influential but under-researched informal institution with which the Western MNC needs to contend. Moreover, unlike dealing with formal institutions where the engagement is explicit – for example in overcoming challenging regulative conditions, technical requirements and legal standards – with superstition its influence is largely hidden from view (at least, for the inexperienced foreign MNC). Accordingly, and as with all pre-conscious, taken-for-granted practices and norms associated with informal institutions, ‘...without prior awareness, the use of superstition is hard to monitor for the MNC, so they effectively go in blind...’ (Expatriate General Manager, Hospitality). This is important because the use of superstition in the decision making of subunit employees can hold potentially significant implications for the MNC’s internal and external reputation.

At the broad level, our typology of MNC response – in describing and explaining this hitherto understudied phenomenon – can assist the MNC proactively manage its legitimacy in the face of multiple stakeholder pressures involved rather than simply progressing on a trial-and-error basis (Besharov & Smith, 2014; Lundan & Li, 2019). One example lies in the enhanced capacity to balance the positive effects of tacit acquiescence to a highly valued superstitious practice while simultaneously avoiding the potentially negative relational implications, i.e., with formal institution enforcers (on the one hand) and corporate policy stipulations (on the other). Another involves providing executive agents with the requisite understanding to predict – and thereby avoid or at least mitigate – any breach of superstition-based discrimination. This includes the disfavoring of individuals on the basis of (e.g.) the color of their clothes, dates of birth, disabilities and any other criteria which may breach corporate meritocratic employee selection policy. Finally, by highlighting superstition as a neglected element of organizational inexperience in emerging contexts, our study also holds implications for MNC subsidiary staffing (Gaur, Delios, & Singh, 2007; Shirodkar & Konara, 2016). Specifically, it shows the need for continuing investment in and use of corporate expatriate managers in order to monitor and manage this elusive force with wide-ranging implications for ground-level business practice.



Limitations and Future Research Directions

Investigating the antecedents, processes, and consequences of Western MNC response to superstitious practice in Myanmar necessitated an exploratory, in-depth research approach. To strengthen and ratify the theoretical connections proposed, however, future work needs to examine the findings and propositions across a wider sample base (Flyvbjerg, 2006), addressing the significant potential limitations to transferability at within-population, cross-population and contextual levels, as well as over time (Tsang & Williams, 2012).

The first of these concerns within-population transferability, instanced by the extent to which the SCA conglomerate is representative of organizational superstition in the Myanmar context where superstitions may vary due to managerial ethnic ancestry (i.e., Myanmar vs Chinese), and industry sector (e.g., private versus public). Moreover, despite the similarities in expatriate attitudes and responses, future research needs to sample a wider pool of MNCs to control for the influence of corporate culture. We also need to consider what may be termed as cross-population issues (Tsang & Williams, 2012), for example the potential influence of the personal values and beliefs of the individual expatriate concerned. This may occur where, for instance, a staunch Christian believer may reject (rather than acquiesce to) the use of superstitious practice due to a personal sense of offense, even with no major reputational threat to the corporation concerned. Further, while we found little impact of the influence to come from the nature of the partnership between SCA and the Western MNC (i.e., equity stake), this may also be worthy of future consideration.

Future research also needs to explore the issue of contextual generalization, i.e., the extent to which our findings apply to other informal institutions (in relation to their formal counterparts) within the context of Western MNC engagement in emerging Asia (Tsang & Williams, 2012). As noted in previous research, different institutions may elicit different strategic responses from different companies (e.g., Chacar, Newburry, & Vissa, 2010). One example concerns the 'legitimacy threshold' we uncovered between superstition and Theravada Buddhist doctrine which may be less identifiable and, or, applicable when using other examples – for example corruption vis a vis the law. Recent research into corruption (cf. 'responsible cronyism' – see Andrews & Htun, 2017) and corporate governance

('red cap' symbolic formality – Estrin and Prevezer, 2011; Tsai, 2006), however, suggests the existence of such a threshold – and even a scale – may be not uncommon. Again, this warrants further empirical investigation. Researchers can also examine the extent to which learnings gained in Myanmar – with its unique institutional profile – apply across MNCs with subsidiaries in other emerging contexts. As often reported, institutional systems such as culture and legal systems are often specific to a nation, even vis a vis direct neighbors (Chacar, Newburry, & Vissa, 2010; Kostova & Roth, 2002). Nonetheless, in comparing religion and superstition, intuitively our findings may inform other Southeast Asian emerging economies where both formal religious doctrine (Theravada Buddhism) and superstition dominate the formal and informal institutional landscape.

Finally, to strengthen our theoretical insights concerning institutional adjustment in the wake of MNC engagement, more longitudinal work is needed to address the issues of temporal generalization. In particular, future work could explore how far the eventual reiteration of distinctiveness between formal and informal institution (i.e., religion and superstition) on the part of the formal institution enforcers marked a permanent re-alignment or merely a stage in an ongoing process. This would help with predictive capacity. Further longitudinal work could also address the dynamics of MNC–institution engagement patterns more profoundly, as well as how co-adaptation may affect and induce the kind of cumulative changes which culminate in tangible institutional change (Cantwell et al., 2010: 574).

CONCLUSION

Given the pervasive influence of superstition in business decision-making – both across emerging Asia and more widely – a deeper understanding of this powerful but, to date, under-researched informal institution is long overdue. More pertinently, through examining MNC engagement with superstition in Myanmar, this study deepens and refines our understanding of how organizational actors adjust to informal institutions and, in turn, affect them (e.g., Cantwell et al., 2010; Oliver, 1991). Given that MNC response to the host institutional landscape is a key "determinant of success and failure..." (Henisz & Swaninatham, 2008: 539) such understanding is clearly important as MNCs grapple with the liability of foreignness in the



increasingly dynamic institutional environments that characterize emerging markets. It is our hope that, in progressing this line of inquiry, this study will encourage future research to enrich our understanding of MNC–institution engagement in emerging Asian markets characterized by institutional contradictions and continuous institutional change (Kostova et al., 2020).

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