This paper uses an embeddedness framework to reconceptualize HRM agency over the external labour market, and in so doing bring into focus the societal implications of HRM. Drawing on qualitative data from 53 key informants in two English regions, we identify the ways in which the subsidiaries of foreign multinationals (MNCs) engage with labour market skills actors. Our findings reveal how power structures are mobilized by local economic actors to align labour market skills with MNCs' demand priorities. We show that multinationals may seek to partially endogenize (i.e. take ownership of) the resources of local labour markets when their competitive value is redefined in social as well as economic terms, and demonstrate that the social structure of sub-national institutional governance arrangements and firm strategic action on skills creates the conduit through which resource endogenization may occur. Theoretically, this paper identifies the social structure of networks as a casual mechanism to bridge divergent skill interests, which is mobilized when network actors have the capacity to frame fields within the social structure of the network around ideas on economic sustainability and moral interest.
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