MNC Control of Foreign Subsidiaries:
A Cross-Level Theorizing

By

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All interested are welcome
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ABSTRACT

While the multilevel nature of multinational corporations (MNCs) is well recognized, there is a paucity of literature that considers such linkages. By integrating organizational control literature and the multi-level nature of MNCs, we advance a multi-level theorizing on the control mechanisms used by MNCs and expatriate managers sent by MNCs to the subsidiaries. We first examine the impact of two (input and process/behavioral) types of controls utilized by the expatriate managers on host country national managers’ overall job satisfaction. In addition, we investigate the moderating effects of expatriate managers’ decision latitude and parent company commitment (formal and informal control used by MNCs on expatriate managers) on the aforementioned relationships. Given the cross-level theorizing advanced in this study, we investigate these issues using survey data from 139 expatriate general managers and 324 host country national managers working at 139 hotels. The findings support most of the proposed relationships and contribute our understanding of the manner in which MNCs control their foreign subsidiaries.