

THE HONG KONG POLYTECHNIC UNIVERSITY
DEPARTMENT OF MANAGEMENT & MARKETING
DEPARTMENTAL RESEARCH SEMINAR

**MNC Control of Foreign Subsidiaries:
A Cross-Level Theorizing**

By

Dr Riki Takeuchi
Hong Kong University of Science and Technology

Date: Tuesday, 15 September 2009

Time: 2:30 p.m. - 4:00 p.m.

Venue: M802

All interested are welcome

MNC Control of Foreign Subsidiaries: A Cross-Level Theorizing

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.