THE IMPACT OF HOST-COUNTRY ENVIRONMENT AND HEADQUARTERS ON STRATEGIC HUMAN RESOURCE DEVELOPMENT PRACTICES AT MNE SUBSIDIARIES: A SURVEY FROM TURKEY

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IŞIK UNIVERSITY
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Abstract

Today, the acceleration in globalization and competition has given rise to an increased emphasis for MNEs in managing their international human resource base. One of the most important concerns for MNE subsidiaries is whether they adapt their human resources practices to local context (local responsiveness or isomorphism) or their HR practices are similar to those of their parent company. MNEs operating in multiple countries face the pressure for taking the demands requested by country-specific environmental forces into consideration.

The objective of this study is to examine the influence of MNE organizational factors, environmental factors, subsidiary characteristics and MNE characteristics on local responsiveness of strategic human resource development (SHRD) practices of overseas MNE subsidiaries—wholly foreign owned MNE subsidiaries – operating in Turkey. Considering the significant increase of FDI in Turkey and the potential of further exploration about pressures for global integration-local responsiveness of MNEs, the main objective is to investigate the distinct forces for global integration and local responsiveness and to explore the strength of the existing relationship. The study tests the influencing dimensions on the SHRD practices through considering Institutional, Resource Dependence and Contingency Theories. Moreover, the strength of the significantly observed relationships is also examined.

The evidence presented showed that local responsiveness of strategic HR practices being management of performance appraisal, management of career planning and also recruitment and selection criteria are dependent on the forces imposed from MNE organizational factors (national origin, control orientation, and international strategy) and environmental factors (the subsidiary's dependence on the local context, relationship with local customers and competitors). In addition, moderating influences were found regarding certain categories of the sample. Finally, the study presented limitations and proposed recommendations for further studies.

Key Words: Multinational Enterprises (MNEs), Strategic Human Resource Development Practices, Headquarters, Host Country, Environmental Factors, MNE Organizational Factors, Institutional Theory, Resource-Dependence Theory, Contingency Theory, Turkey

EV SAHİBİ ÜLKE ÇEVRESEL KOŞULLARI VE ANA MERKEZİN ÇOK ULUSLU ŞİRKETLERDEKİ STRATEJİK İNSAN KAYNAKLARI GELİŞİM UYGULAMALARINA ETKİSİ: TÜRKİYE'DEN BİR ARAŞTIRMA

Özet

Günümüzde globalizasyon ve rekabetteki ivme, çok uluslu şirketlerde (ÇUŞ) uluslararası insan kaynağının yönetiminin önemini arttırmaktadır. ÇUŞ'lerde en önemli sorunlardan biri, bu şirketlerin insan kaynakları (IK) uygulamalarının faaliyette bulundukları ülkelerde bu ülkelerin yerel koşullarına göre (izomorfizm veya eş-eşdeğerlilik) ya da ÇUŞ ana merkezinin belirlemiş standart prensip ve uygulamalara göre (küresel entegrasyon ya da standardizasyon) gerçekleştirilip gerçekleştirilmediğidir. ÇUŞ'ler farklı ülkelerde ticari faaliyetlerini yerine getirirken, bu ev sahibi ülkelere özgü bir takım dinamikleri dikkate almak durumundadır.

Bu çalışmanın amacı, ÇUŞ'lerin Türkiye'de faaliyet gösteren şubelerinde, ana merkez bağlamındaki örgütsel faktörlerin, faaliyette bulunulan ülkedeki (Türkiye) yerel çevresel faktörlerin, Türkiye'deki şube özelliklerinin ve çok uluslu firmanın ana merkez bağlamındaki özelliklerinin stratejik IK gelişim uygulamalarının yerelleşmesi üzerindeki etkisini araştırmaktır. Yabancı yatırımların ivme kazanması ve literatürde söz konusu globalleşme-yerelleşme ikilemi konusunun araştırılmasına yönelik algılanan potansiyel dikkate alınarak, Türkiye'deki çok uluslu şirketlerin stratejik IK gelişim uygulamalarının globalleşme ya da yerelleşmelerinde etkili olan unsurlar araştırılmaktadır. Burada etkili olabileceği düşünülen unsurlar Kurumsallaşma, Kaynak Bağımlılığı ve Durumsallık Teorileri doğrultusunda geliştirilmiştir. Ayrıca anlamlı ilişki olduğu tesbit edilen bulgularda bu ilişkilerin gücü de irdelenmektedir.

Bulgulardan ortaya çıkan sonuçlar şu şekilde özetlenebilir: IK gelişim uygulamalarından özellikle performans yönetimi, kariyer planlama yönetimi ve işe alım kriterlerinin yerelleşmesi ile, çok uluslu şirkete özgü örgütsel faktörler (ülke menşei, control yönelimi, uluslararası strateji) ve ev sahibi ülke olarak, Türkiye'ye özgü çevresel faktörleri (ÇUŞ'nin ev sahibi ülkeye kaynak bağımlılığı, yerel müşteri ve rakip firmalarla olan ilişkileri) arasında bağımlılık ilişkisi görülmüştür. Türkiye'deki şubeye ve ana merkeze özgü özelliklerden bazılarının ikili ilişkilerde üçüncü bir değişken olarak etkileşime neden olduğu görülmektedir. Çalışmanın sonunda araştırmanın kısıtları açıklanmış ve ileriye yönelik çalışmalara ilişkin önerilerde bulunulmuştur.

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To my husband Onur Özçelik &
to my parents,

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Table of Contents

Abstract ..... **ii**

Özet ..... **iii**

Acknowledgements ..... **v**

Table of Contents ..... **vi**

List of Tables ..... **x**

List of Figures ..... **xii**

1 Introduction **1**

2 The Fundamentals of Multinational Enterprises **5**

2.1 The Growing Importance of International Business 6

2.2 Entry Strategies for International Business 6

2.3 Multinationalism and MNEs 9

2.3.1 The Concept of MNEs: Definitions from Literature 9

2.3.2 The Distinctive Characteristics of an MNE 12

2.4 The Evolutionary Theories of Multinational Organization 13

2.4.1 Internal Selection Mechanisms 13

2.4.2 The 1980s: External Selection Mechanisms 14

2.4.3 The 1990s: Differentiated Theories and Richness to Rigor 15

2.5 Organization - Environment Theories and MNEs 16

2.5.1 Institutional Theory 17

2.5.2 Resource Dependence Theory 21

2.5.3 Contingency Theory 23

2.5.4 Population Ecology Theory 25

2.6 Strategic Development in MNEs 27

2.6.1 The Integration-Responsiveness Framework and Its Foundations 27

2.6.2 Integration-Differentiation Framework of Lawrence and Lorsch 28

2.6.3 Integration-Differentiation Framework of Thompson 28

2.6.4 Integration-Responsiveness Framework of Prahalad and Doz 28

2.6.5 Porter's Coordination-Configuration (C-C) Framework 31
2.7 Strategic Planning in MNEs 34
2.7.1 Tallman and Yip's Analytical Framework for Strategic Planning ... 36
2.7.2 Harzing and Ruysseveldt's Framework for Strategic Planning 40
2.8 Bartlett and Ghoshal's Typology of MNEs 46
2.8.1 Transnational Organizational Model 47
2.9 The Headquarters-Subsidiary Relationship in MNEs 49
2.9.1 The Strategy Evolution at the Subsidiary Level 49
2.9.2 The Subsidiary Strategic Roles and Resource Flows 53
2.10 The Multinational as an Inter-organizational Network and Role of Subsidiaries in the Network MNE 55
2.11 Control and Coordination Mechanisms in MNEs 57
2.11.1 The Notion of Control and Coordination 57
2.11.2 The Distinction between Control and Coordination 59
2.11.3 Strategic Control and Implications for Subsidiaries 59
3 IHRM in MNEs across Borders: Major Influences 61
3.1 The Conceptual Framework of HRM and IHRM 61
3.2 Going Multinational and Implications of IHRM 63
3.3 Strategic International Human Resource Management 65
3.4 Models of SIHRM and MNE Implications 67
3.4.1 Adler and Ghadar's Phases of Internationalization (1990) 68
3.4.2 Taylor, Beechler and Schon's Model of SIHRM 69
3.4.3 De Cieri and Dowling Model of Strategic IHRM 72
3.4.4 Perlmutter's Model and IHRM Implications in MNEs 74
3.5 IHRM Orientations of MNEs across Borders 77
3.6 Organization-Environment Theories Applied to SIHRM in MNEs. 77
3.6.1 The Institutional Theory 77
3.6.2 The Resource Dependence Theory 79
3.6.3 The Contingency Theory 80
3.7 Theoretical Background of HRM Context in Turkey and IHRM with Different National Origins 80
3.7.1 HRM Context in Turkey 80
3.7.2 Institutional and Regulatory Context of Labor Market in Turkey ... 82
3.7.3 HRM in MNEs with Different National Origins 85

3.8 Analyzing IHRM from the Perspective of 'I/R Framework' 86
3.9 A Conceptual Model Explaining the Influences Arising from Host-Country Environment and Headquarters 87
3.9.1 MNE organizational Factors 91
3.9.2 Environmental Factors 96
4 Determinants of Local responsiveness of Strategic Human Resource Development Practices at MNE Subsidiaries in Turkey 104
4.1 Developments in The World Foregn Direct Investment..... 104
4.2 The Developments in the Area of FDI in Turkey 106
4.3 Research Design 110
4.3.1 The Objective of the Research 110
4.3.2 The Research Model Framework and Hypotheses..... 113
4.3.3 Research Sampling Process 118
4.3.4 Data Collection Methodology 122
4.3.5 Developing the Determinants for Local Responsiveness of SHRD Practices 124
4.3.6 Operationalization of Variables 127
4.3.7 The Reliability and Validity of the Measurement Instrument through Pilot Study..... 129
4.3.8 The Reliability Analysis of the Measurement Instrument for the Whole Sample 133
4.3.9 Data Analysis and Data Set..... 133
4.4 Research Findings 137
4.4.1 Descriptive Non Inferential Statistics- Characteristics of the MNE subsidiaries and Demographic Information 137
4.4.2 Descriptive Non-Inferential Statistics: Frequency Distributions ... 140
4.4.3 Data Preparations and Transformations..... 140
4.4.4 Bivariate Analysis and Chi-Square Based Statistics 142
4.4.5 Multivariate Analyses: Relationships among Three Variables..... 162
4.4.6 Results of Hypotheses..... 185
Conclusions 199
Limitations of the Study 211
Implications for Further Research..... 213
References 214

Appendix A Questionnaire Form (English) 227
Appendix B Questionnaire Form (Turkish)..... 234
Appendix C1 The Reliability and Item-Total Statistics - Pilot Study..... 240
Appendix C2 The Reliability and Item-Total Statistics -Whole Sample... 244
Appendix D Frequency Distribution Results (Non-Recoded) 247
Appendix E Bivariate Analysis: Chi-Square Based Statistics..... 253
Curriculum Vitae..... 321

List of Tables

Table 2.1 An Overview of Structural Contingency Theory 24

Table 2.2 Stopford and Wells: Stages in Internationalization.....35

Table 2.3. The Distinction between Control and Coordination 59

Table 2.4. The Need for Control and Coordination in Pan-National Corporations ...59

Table 3.1 Four Types of Headquarters Orientation toward MNE subsidiaries.....76

Table 4.1. Breakdown of Companies with International Capital by Country.....108

Table 4.2. International Direct Investment Inflows (Net) by Years.....109

Table 4.3. International Direct Investment Inflows (Net) in 2006-2007 (Jan-July).109

Table 4.4. Breakdown of Companies with International Capital by Country according to Size of Equity Capital (2006-2007/Jan-July.) 119

Table 4.5. Foreign Direct Investment Inflows to Turkey by Year 121

Table 4.6. Research on the Headquarters-Subsidiary Relationships and IHRM.....125

Table 4.7. The Scores of Reliability Estimates for all Variables 131

Table 4.8. The Reliability Scores of Variables for the Total Sample.....133

Table 4.9. The Characteristics of the Sample MNE Subsidiaries (n=52).....139

Table 4.10. The Demographic Information of Respondent Firms in the Sample 139

Table 4.11. Two Phases of Transformation (Recoding) of Data.....142

Table 4.12. Chi-Square based Measures - National Origin * Local Responsiveness of SHRD Practices 143

Table 4.13. Chi-Square based Measures - MNE International Orientation * Local Responsiveness of SHRD Practices.....146

Table 4.14. Chi-Square based Measures - MNE Control Orientation * Local Responsiveness of SHRD Practices.....150

Table 4.15. Chi-Square based Measures - MNE International Strategy * Local Responsiveness of SHRD Practices.....153

Table 4.16. Chi-Square based Measures - Subsidiary Dependence * Local Responsiveness of SHRD Practices.....156

Table 4.17. Chi-Square based Measures - Labor Law Influences * Local Responsiveness of SHRD Practices.....158

Table 4.18. Subsidiary's Relationship with Local Networks * Local Responsiveness of SHRD Practices - Chi-Square Test, Directional and Symmetric Measures 161

Table 4.19. Descriptive Statistics of 'the Degree of Presence of Expatriates in the Subsidiary', and 'the Age of the Headquarters' 163

Table 4.20. Paired Chi-Square Results for Local Responsiveness of SHRD Practices * MNE Organizational Factors * Age of the Subsidiary 169

Table 4.21. Paired Chi-Square Results for Local Responsiveness of SHRD Practices * MNE Organizational Factors * Size of the Subsidiary 172

Table 4.22 Paired Chi-Square Results for Local Responsiveness of SHRD Practices * MNE Organizational Factors * National Origin of the MNE 174

Table 4.23 Paired Chi-Square Results for Local Responsiveness of SHRD Practices * MNE Organizational Factors * Degree of presence of expatriates in Subsidiary....176

Table 4.24. Paired Chi-Square Results for Local Responsiveness of SHRD Practices * Environmental Factors * Age of the Subsidiary.....178

Table 4.25. Paired Chi-Square Results for Local Responsiveness of SHRD Practices * Environmental Factors * Size of the Subsidiary 181

Table 4.26. Paired Chi-Square Results for Local Responsiveness of SHRD Practices * Environmental Factors * Degree of Presence of Expatriates in the Subsidiary....183

List of Figures

Figure 2.1. Stages of Internationalization 7
Figure 2.2. Definition of Multinationalism 10
Figure 2.3. Evolutionary Model of MNE Organization.....13
Figure 2.4. Evolutionary model of the 1980s: The Transnational.....15
Figure 2.5. Applying Resource Dependence Theory.....22
Figure 2.6. The Integration-Responsiveness Framework 31
Figure 2.7. Types of International Strategy 33
Figure 2.8. Stopford and Wells' International Structural Stages Model 34
Figure 2.9. Tallman and Yip's Analytical Framework for Strategic Planning 36
Figure 2.10. International Strategy Issues.....37
Figure 2.11. International Strategy Issues and The Strategic Analysis Process 37
Figure 2.12. Strategic Planning in MNEs 41
Figure 2.13. Bartlett and Ghoshal's Models of MNE Organization.....48
Figure 2.14. Integrated Network Model 48
Figure 2.15. Parent-Subsidiary Relationship Subsidiary-Subsidiary Relationship49
Figure 2.16. Different Types of Multinational Organizations 50
Figure 2.17. Coordination-Configuration Framework.....52
Figure 2.18. Alternative Subsidiary Roles Related to Different Resource Flows....53
Figure 3.1. Model of SIHRM 72
Figure 3.2. Integrative Framework of Strategic HRM in Multinational Enterprises73
Figure 3.3. A Conceptual Model of Factors Influencing SHRD Practices in MNE Subsidiaries 103
Figure 4.1. Global Inflows Global and by Group of Economies, 1980-2005.....105
Figure 4.2. A Conceptual Model of Factors Influencing SHRD Practices at MNE Subsidiaries 114
Figure 4.3. Number of expatriates in the Subsidiary in Turkey (Histogram) 165
Figure 4.4. The Age of the MNE (Histogram).....165

CHAPTER I

1 Introduction

The globalization of business activities has revealed a significant acceleration, as more and more firms invest outside their domestic borders. There is an increase in cross-border mergers and acquisitions, international joint ventures, and alliances which leads to a huge circulation of capital and people, growth of trade and rapid transfer of technology all around the world (Briscoe and Schuler, 2004). There is an unappreciable level of foreign competition both abroad and at home. Due to this internationalization of business, managers in firms need not only deal with issues within the organization or around the domestic market, but also with the challenges of global competition – on the basis of world-class quality, service and management — and possible opportunities for growth and gaining and maintaining competitive advantage. Management, in an international sense, is one of the most crucial milestones for executing a global business successfully. International businesses require specialized management approaches because there are political, cultural and economic differences among countries or regions where management policies and practices should be adjusted to local environment. Thomas argues that (2002) management of such international/global corporations would involve dealing with personnel, customers, suppliers, rooted in their own distinct local culture, which could both be a barrier and a challenge to the organization.

According to Dowling, Welch and Schuler (1999) a highly crucial part of international business is finding and developing the human resources (abbreviated as HR) to implement an international strategy for which effective human resource management (abbreviated as HRM) is required. In running an international business, management of HR also should be executed in an international sense. The increased number of multinational enterprises (abbreviated as MNEs) in recent years due to the

fast developments in globalization and competition have given rise to an increased emphasis on international human resource management (abbreviated as IHRM). (Harzing and Ruysseveldt, 2004; Dowling, et al., 1999).

Stroh and Caligiuri argue that (as cited in Harzing and Ruysseveldt, 2004) the success of the global business is mostly dependent on the quality of HRM in the MNEs. While MNEs invest across borders, they transfer HRM practices to their overseas subsidiaries which are not a smooth process (Ngo, Turban, Lau and Lui, 1998). One of the important issues for MNEs is the extent to which subsidiaries adapt their practices to local environment and behave as domestic firms (local isomorphism) versus the extent to which their HRM practices are similar to those of their parent company (internal consistency) (Harzing and Ruysseveldt, 2004; Rosenzweig and Nohria, 1994). C.K. Prahalad, Yves Doz and Chris Bartlett have been the first to describe and name this mechanism as Integration-Responsiveness (I/R) Framework. Accordingly, MNEs face conflicting demands for global integration and national responsiveness or national differentiation. MNEs face the pressure for taking the demands requested by country-specific institutional and environmental forces into consideration. The crucial business processes like IT systems, financial activities, marketing decisions, task forces, HR are to be differentiated in line with the specific needs of the local market and also be aligned with the strategic needs of the MNE organization.

The forces for integration or responsiveness of the MNEs' units is also an important and challenging issue for IHRM strategically as it relates to controlling and managing the whole set of people working in different units and in different national settings (Schuler, Dowling and De Cieri, 1991). MNEs are required to develop its human resource practices to hire, manage, train and retain the best employees strategically throughout the organization in line with organizational goals.

Focusing on the challenge as to how MNEs execute their management of international HR, there is no one big solution. As in other business processes, different economic, political, societal, institutional conditions are evident for different country locations. Depending on the balance between the parental and organizational dynamics of the multinational and different levels of pressures

imposed on the multinational from the local environment outside the organization, MNE subsidiaries try to establish equilibrium for managing their businesses successfully.

Organization-environment theories such as institutional theory, contingency theory, resource dependence theory are used for studying the adoption and diffusion of organizational practices among organizations (Kostova and Roth, 2002), as they exert influence on firms at societal level. Continuous interactions among organizations lead to patterns of coalition among them through which they implement new practices and reforms. As time goes by and organizations grow, the practices are conformed by organizations; they become structural and this process is called homogenization or isomorphism (DiMaggio and Powell, 1983). Organizations in the same environment will implement similar practices due to the organization's conformity to institutional pressures and therefore will become "isomorphic" with each other." Therefore, any new organization, be it an MNE subsidiary enters a local market, are influenced by these 'normatively sanctioned' practices. Resource dependence theory, on the other hand exerts influence on MNEs when organizations are dependent on the local environment for its resources such as labor, managerial expertise, know-how, raw materials, capital and technology which are controlled by the environment. The organization's relationship with the environment can be influenced by these elements. The resource dependence theory plays a role in the organization's resource exchanges. Furthermore, the more the resources are immobile, the more dependent the organization will be on these resources in a certain environment (Rosenzweig and Singh, 1991).

The objective of this study is to examine the influence of MNE organizational factors, environmental factors, subsidiary characteristics and MNE characteristics on local responsiveness of SHRD practices of overseas MNE subsidiaries—wholly foreign owned MNE subsidiaries – operating in Turkey. The main objective is to investigate the distinct forces for global integration and local responsiveness and to explore the degree to which they affect the SHRD practices of MNE subsidiaries in the Turkish local context. The study tests the influencing dimensions on local responsiveness of SHRD practices through considering institutional theory (DiMaggio and Powell, 1983) and resource dependence theory (Pfeffer and Salancik,

1978). SHRD simply ties human resource development with the general strategy of the MNE and helps ensure congruence among distinct HRM functions or practices.

Four main categories (variable groups) will be examined in terms of their influence on the SHRD practices in subsidiaries of MNEs. The categories under investigation will be 'MNE organizational factors', 'environmental factors', 'subsidiary characteristics' and 'MNE characteristics'. In this respect, while the influences of MNE organizational factors and environmental factors on the local responsiveness of subsidiaries' human resources are explored, the strength of the relationship between MNE organizational and environmental factors and local responsiveness of HR in subsidiaries are also examined. Arising from the contingency perspective, subsidiary characteristics and MNE characteristics will also be studied to explore if any, interaction effects.

This study is composed of three main chapters in addition to the 'Introduction' that gives a brief explanation of the topic. Chapter 1 provides a theoretical framework about the fundamentals of MNEs, intellectuals of global integration-local responsiveness framework, organization-environment theories and their relationship with MNEs. IHRM models and its MNE implications, relation between organization-environment theories and IHRM are explained in Chapter 2. The theoretical perspectives on which the study is based upon and the strategies of the research through a conceptual model are explained in Chapter 2. The third Chapter presenting mainly the findings of the research involves the sample and the population from which the sample is drawn, data collection process, and results of the statistical data analysis on the basis of the data received from the questionnaire. The study is completed with a 'Conclusion' section which discusses the theoretical and practical implications of the research findings. Finally, limitations of the study are investigated and implications for future research are recommended.

Chapter II

2 The Fundamentals of Multinational Enterprises

The trends of internationalization of business and the transition to a global economy have been growing since the early 1980s (Barham, 1987). The term "internationalization" is roughly described as "the process of increasing involvement in international operations" (Welch and Luostarinen, 1988). As Briscoe and Schuler (2004) point "today, the pace of globalization is increasing faster than ever and the conduct of business is increasingly global." There have been many important trends that influenced the world economy of the 1980-1990s (Buckley, 1991). Increases in both competition and cooperation among firms searching for competitiveness, social changes in the life-styles and consumption patterns of consumers and rapid pace of technological developments, political changes such as deregulation, political, economic and financial integration have led to considerable restructuring of international business (Briscoe and Schuler, 2004).

As companies increase their level of involvement abroad in order to serve foreign markets, they follow a pattern of penetration starting from no exporting, exporting through a subsidiary agent, licensing, franchising, direct local sales offices, and foreign direct investment (FDI) in the form of joint ventures, strategic alliances or wholly owned FDIs. Accordingly, Rosenzweig and Singh (1991) have focused on investment type penetration and argued that the increasing interdependence of the world economy has triggered a business environment where firms own and control activities in more than one country. Many companies have been pursuing a global perspective in terms of engaging in exporting, international alliances, joint ventures, mergers or acquisitions, and increasing production facilities abroad.

2.1 The Growing Importance of International Business

Briscoe and Schuler (2004) have noted that international business is gaining increased importance. World markets have now become competition arenas where firms strive for more and more market share against local and foreign competitors (Dowling, et. al., 1999). For instance, today there are approximately 60,000 MNEs employing more than 45 million people worldwide where the number is foreseen to be 75 million by 2010. There is even a growing number of firms deriving more than half of their revenues from outside their home countries including Hewlett-Packard, Mc Donald's, Nestle, Unilever, Volkswagen, Coca-Cola, Royal Dutch Shell, Siemens, Xerox and many others. As a result it becomes more difficult or unnecessary to clarify 'national identity' of products and services. The world economy is becoming interdependent and global.

This international expansion of business with heavy competition has created an increasing unpredictability. Past experiences may no more be a guide for solving upcoming problems. This phenomenon has forced top management of firms to articulate well-grounded global or international strategies.

2.2 Entry Strategies for International Business

There are several stages of organizational development that most firms pass through as the size of the international business activities go through. Although internalization reveals a common process, the process is not the same for all firms. In other words, the number of stages of internationalization and the time frame involved changes from firm to firm. In each of the stage within this evolutionary process, there are different structural responses, control mechanisms (Dowling, et. al., 1999). The specific entry strategies for going international include exporting, wholly-owned sales subsidiary or local sales office, licensing, franchising, forming joint ventures or strategic alliances or FDI through wholly-owned subsidiaries/subsidiaries, in any form –i.e. assembly, manufacturing, offices, etc.— and established in any ways –i.e. through direct acquisition, greenfield venture, etc. (Briscoe and Schuler, 2004). The entry strategies for international business or the stages of internationalization are presented in Figure 2.1 below (Dowling, et. al., 1999).

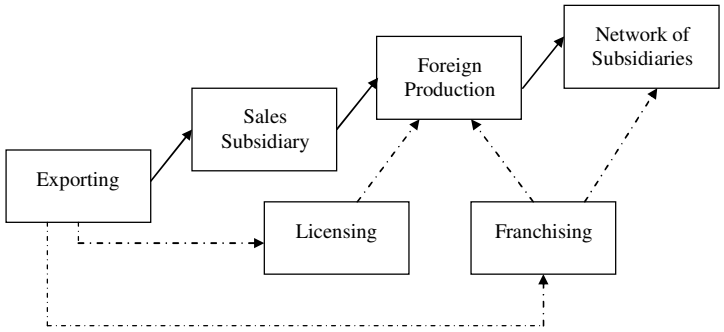


Figure 2.1. Stages of Internationalization
From *International Human Resource Management: Managing People in a Multinational Context* by Dowling, P. J., Welch, D. E., Schuler, R. S. (1999), Cincinnati: South Western College Publishing.

Indirect and Direct Exporting: The first stage for firms involving in international markets is through export (Kotler, 2003; Dowling et. al., 1999). Firms engage in exporting through independent intermediaries called as export agent or foreign distributor who markets the foreign firm's product in return for a commission (Dunning, 1992). Dunning has put forward two reasons for why firms initially engage in transactions across national boundaries: The first is to acquire inputs or intermediate products at a lower real cost than is the case under the domestic sources. The second is either, to protect or to look for new markets for their domestic value-adding activities.

Sales Subsidiary: As the firm's sales activities become more involved with foreign markets, a sales subsidiary or branch office in the foreign countries are established replacing the agents or distributors. The issues to consider at this stage are the need to be more confident in the international sales operations, the decision to provide more support to the export activities.

Licensing: Kotler (2003) notes that the licensor licenses a foreign company to use a manufacturing process, patent, trade secret for a fee. A firm may find it more advantageous to make a licensing agreement with a foreign firm rather than the undertaking the production itself.

Franchising: Franchising is a form of licensing where the franchiser offers a franchisee a complete package of materials and services including equipment,

products, product ingredients, trademark and trade name rights, managerial advice and a standardized operating system (Daft, 2003). For instance; Starbucks, Gloria Jeans, McDonald's have offered franchisees from various countries to operate their brand and sell their products.

Foreign Direct Investment: FDI is defined as a company from one country making a physical investment into building a factory in another country. Aliber (as cited in Dunning, 1992) has mentioned that FDI would be a relatively preferred alternative to exports, as the size of the foreign markets expand. This is especially the case in countries whose currencies were relatively weak compared with those of the exporting country. As mentioned by many works of authors, (e.g., Buckley and Casson, 1981; Rugman et. al., 1985; Vernon and Wells, as cited in Dunning, 1992) the choice between foreign production and exporting usually depends on role of comparative manufacturing, organizational and marketing costs of exporting and local production, government based trade barriers as well as incentives offered to foreign investors. Graham and Spaulding (2005) have explained many forms that foreign direct investment may take. The alternatives are explained below.

a. Strategic Alliances and Joint Ventures: Strategic alliances and joint ventures are some form of an FDI (Graham and Spaulding, 2005). Alliances range from straight contractual relationships to joint ventures. One thing both share in common is a strategic relationship. A strategic alliance is collaboration between two or more enterprises which pursue a common strategic goal (Cascio and Serapio, 1991). It is an arrangement between two companies who have decided to share resources in a specific project. A joint venture (abbreviated as JV) is a strategic alliance between two or more parties to undertake economic activity together. The parties agree to create a new entity together by both contributing equity, and they then share in the profits, losses, and control of the enterprise. The venture can be for one specific project only, or a continuing business relationship such as the Sony Ericsson joint venture (Cascio and Serapio, 1991).

b. FDI through Wholly-Owned Foreign Subsidiary: The ultimate form of foreign involvement refers to the direct ownership of foreign-based assembly, retail establishment or manufacturing facilities (Kotler, 2003). In this case, the firm

establishes a wholly owned foreign subsidiary over which it has complete control. These companies that establish manufacturing or distribution facilities in foreign countries are also known as multinational corporations (abbreviated as MNCs) or multinational enterprises (abbreviated as MNEs). Firms become MNEs in order to sell their products and services in other countries or in order to take advantage of inexpensive labor costs. Direct ownership of a subsidiary helps reduce storage and transportation costs, cost reduction over exporting by lowering the distribution channels (Daft, 2003).

As the firm moves into international activities in the form of foreign production or service facilities in foreign countries, there may be some problems arising from the need for national responsiveness at the subsidiary/subsidiary unit and global integration at the parent headquarters. The international market demands force the multinational toward global integration or standardization due to the global products, global customers and rapid technological developments while host environment and local customers, suppliers and employees ask for local responsiveness of the multinational (Dowling et. al., 1999).

2.3 Multinationalism and MNEs

The discussion about the development of MNE begins with a definition and evolution of such enterprises. This is followed by the international strategy, organizational structure and strategy formulation of the MNE.

2.3.1 The Concept of MNEs: Definitions from Literature

The academic and business literature offers a vast array of definitions of MNEs. Although the term “multinational” is utilized today, practitioners and researchers may use the terms “international”, “supranational”, “global”, “transnational” and “multinational” interchangeably (Heenan and Perlmutter, 1979). There has been a continuous diagreement among researchers over a satisfactory definition of multinationalism and hence MNCs. A couple of important definitions have been proposed by well-known scholars. For instance; Aharoni (as cited in Heenan and Perlmutter, 1979) has provided a multiple classification scheme for defining the term (See Figure 2.2). He explains that there are objective indices which measure

multinationalism – ***structural criteria and management of performance appraisal*** – as they usually possess visibility and quantifiability.

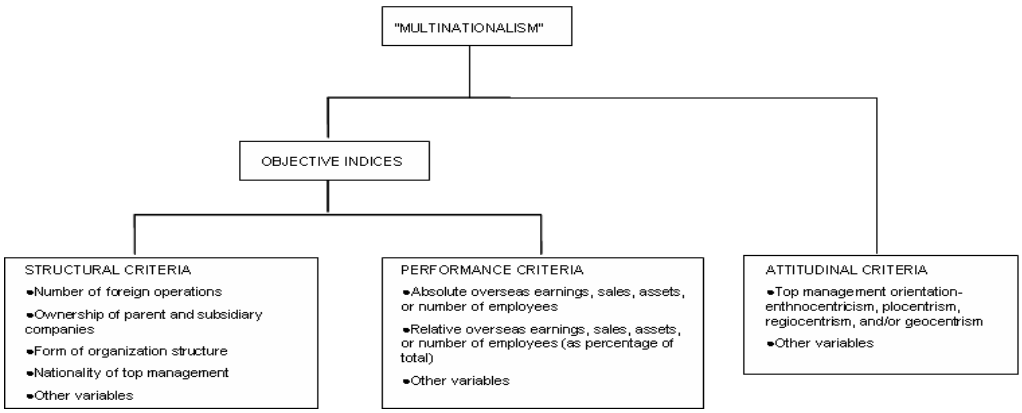


Figure 2.2. Definition of Multinationalism

From *Multinational Organizational Development* by D. A. Heenan, & H.V. Perlmutter, 1979. Reading: Addison Wesley Publishing Company.

Perlmutter (as cited in Heenan and Perlmutter, 1979) has argued that these two criteria are useful for measuring multinationalism but they are not sufficent. He explained that the way decisions are made in an MNE are also and heavily influenced by the way the home-country executives think about doing business around the world, analyze overseas market opportunities. This means home country attitudes and beliefs are heavily important in positioning an MNE headquarters' multinational orientation. Perlmutter named this criteria as ***attitudinal criteria***. These attitudes are labeled as ***enthnocentric, polycentric, and geocentric*** which will be comprehensively explained in section 3.4.4. He suggested that a firm can be called multinational, to the extent that its top executive thinks geocentrically. Heenan and Perlmutter (1979) in the mid 1960s, proposed adding ***regiocentrism*** to the three orientations of top management. The regiocentic orientation refers to a regionally highly interdependent MNE.

Every firm possesses some degree of ethnocentrism, polycentrism and geocentrism; however one appears to be more dominant than the others. These international strategies usually pursued by the top management of the MNEs, influence the management practices, organizational structure, control mechanisms, line of communication adapted by MNE subsidiaries.

Rosenzweig and Singh (1991) have defined MNEs as "the MNE is regarded as a set of differentiated structures and processes, and each of these structures and processes exists in the many subunits of the organization…….are affected by a variety of environmental forces, some of which are specific to the host country and some of which are global in nature. (p. 344)". Secondly, Dunning (1992) has added that in particular MNEs are differentiated by business analysts into two – those MNEs which have a large number of *independent multi-domestic foreign subsidiaries*, each of which produces goods and services in order to serve to local market and those that consider their subsidiaries a part of globally *coordinated network of units* engaging in production and marketing activities.

Porter (1986) has reflected differences in patterns of international competition for MNEs. In his discussion of MNEs and international competition a distinction is made between *global and multidomestic industries*. In global industries, a firm's competitive position in one country is influenced by competition in other countries. In these industries, such as car manufacturing or electronics, competition operates at an international level. In multi-domestic industries, competition in each country is independent of competition in other countries such as retailing, consumer goods and distribution. Rosenzweig and Singh (1991) have also argued that foreign subsidiaries in multidomestic and global industries are differentiated from one another on the basis of "local dependence" versus "worldwide interdependence" factor. Multi-domestic industries are self-sufficient and more dependent on local resources and therefore, the subsidiaries in these industries have a greater need to gain legitimacy locally and embrace local practices. Foreign subsidiaries in global industries have a need for interdependence with other subsidiaries within the MNE to sustain managerial know-how, capital, personnel and technology. As they are under the influence for worldwide integration, they are less dependent on the local environment.

John Dunning (1992) has provided a good definition that is widely accepted in academic and business environment, and by big corporations such as Organization for Economic Cooperation and Development (OECD), the United Nations Centre on Transnational Corporations (UNCTC) any by national governments. He defines an MNE in the following statement: "*A multinational or transnational enterprise is an*

enterprise that engages in foreign direct investment (FDI) and owns and controls value-adding activities in more than one country (p.24)".

Another well-accepted definition has been also provided by Sundaram and Black (1992, p. 733): "*Any enterprise that carries out transactions in or between two sovereign entities, operating under a system of decision-making that permits influence over resources and capabilities, where the transactions are subject to influence by factors exogenous to the home country of the enterprise*".

There are also some recent explanations about the definition and role played by MNEs. Martin and Beaumont (as cited in Quintanilla and Ferner, 2003) stated that MNEs are important carriers of globalization, diffusing what is called "best-practice" type managerial knowledge and techniques internationally.

2.3.2 The Distinctive Characteristics of an MNE

There are several distinctive and important dimensions of an MNE as it engages in international business. These are stated below.

- A MNE has operations in multiple economic activities just a like domestic company. The crucial difference from a domestic company is that it performs some of these operations in a country or countries other than the country of its headquarters (Dunning, 1992).
- The MNE must deal with across socio-cultural barriers/divisions between nations. There will exist also differences between regulations, government policies and interventions, economic and political environment of countries. (Buckley, 1989).
- The MNE operates in a world where different currencies exist in different regions, countries. Therefore, it may be under the exchange risk on assets. (Buckley, 1989).
- An MNE may be under private or public (i.e. state) ownership. Its country of origin may be from a liberal or a socialist country. It may function as a global corporation managing a network of interrelated units (subsidiaries) in many countries or a single-product firm that operates in only one foreign marketing region. (Dunning, 1992).

2.4 The Evolutionary Theories of Multinational Organization

A company starting as a domestic enterprise can become more international over time, as the number of countries in which it operates enlarges (Westney and Zaheer, 2001). The changing evolutionary models of Westney and Zaheer (2001) for MNE organizations are presented below.

2.4.1 Internal Selection Mechanisms

Three distinct approaches have been found in the first studies on MNE organizations. The first is called ***the structural evolution approach*** which has focused on the paths by which MNE organizational structure evolved. The most important evolutionary models of enterprise have taken this approach. Alfred Chandler's Strategy and Structure (1962) Model and the Harvard Multinational Enterprise Project (1966) were first large-scale empirical study of multinational organization. It was found that internal selection forces such as the management stresses caused by geographic diversification are the primary drivers of structural change.

The most important work in this area have been conducted by Fouraker and Stopford (1968) and Stopford and Wells (as cited in Westney and Zaheer, 2001). Firms begin their international expansion by assigning foreign activities to a separate international division; then they move to either an area or a worldwide product organization or the hybrid of both which is called a matrix (Figure 2.3.).

Figure 2.3. Evolutionary Model of MNE Organization

From "The Multinational Enterprise as an Organization" by D. E., Westney, & S. Zaheer, 2001, Oxford Handbook of International Business, 349-379, Retrieved from EbscoHost Research Database.

The second approach has emphasized the evolution of MNE activities in terms of *value-adding activities, mode of operations and location*. Value adding activities range from export sales to sales offices to production facilities and to full value-chain subsidiary; mode of operations covers arm's length transaction through partnerships with locals to wholly-owned operations.

The third approach as proposed by Perlmutter (as cited in Heenan and Perlmutter, 1979), focused on the evolution of managerial mindsets that is the way executives think about doing business around the world. His typology identified three primary attitudes towards building an MNE: ethnocentric or home-country oriented, polycentric or host-country oriented and geocentric or world-oriented. Firms go through these three evolutionary movements over time.

2.4.2 The 1980s: External Selection Mechanisms

The theory of evolution of multinational organization during 1980s focused on managerial processes rather than formal structures. A selection mechanism for MNE evolution has been developed by C.K. Prahalad, Yves Doz and Chris Bartlett which is called ***Integration-Responsiveness (I/R) Framework***. In their article, they portrayed emergence of conflicting demands confronting MNEs and they described the parameters of the conflict as 'the contradictory demands for global competitiveness and national responsiveness (Doz, Bartlett and Prahalad, as cited in Westney and Zaheer, 2001). However, the terminology changed somewhat in following work where Bartlett (1986) labeled them as *'forces for global integration'* and *'forces for national differentiation'*; while Doz and Prahalad used *'pressures for global integration'* and *'pressures for local responsiveness'*.

The I/R framework suggests that two important pressures simultaneously confront MNEs. So, they should be sensitive and responsive to the demands put forward by governmental or environmental forces in each location (Kendall and Morrison, 1990). This challenging balance force MNEs to shape their decision-making processes, designing linking mechanisms like IT systems, task forces and aligning HR (in the form of designing training programs, international lateral or upward career alternatives for managers) with the strategic needs of the organization.

Another emerging organizational model is called the ***'transnational'*** (as termed by Bartlett, 1986) or ***'the multi-focus firm'*** (as termed by Prahalad and Doz, 1987). Actually, Bartlett and Ghoshal identified four models of the MNE as multinational, international, global and transnational. The multinational and international models have locally oriented subsidiaries and involved most or all of the value chain. In the global firm, value-adding activities were concentrated in the home country. The transnational model is an integrated network of interdependent subsidiaries, defined by its networks; the subunits of the transnational are linked to each other directly. (See. Figure 2.4).

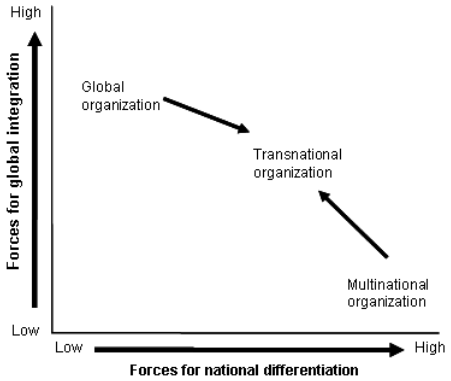


Figure 2.4. Evolutionary model of the 1980s: The Transnational

From *Building and Managing the Transnational: The New Organizational Challenge* by Bartlett, C. A., 1986, in Michael E. Porter (ed.), Competition in Global Industries, Boston: Mass: Harvard Business School Press, 367-404.

Another framework for MNE evolution is the 'configuration-coordination' framework of Michael Porter (1986). He has criticized the I/R framework for not capturing a firm's international strategic choices.

2.4.3 The 1990s: Differentiated Theories and Richness to Rigor

Studies in the 1990s have tended to emphasize and analyze the more specific activities within the MNE such as marketing, innovation, R&D or HRM. Westney and Zaheer (2001) have explained that during 1990s there were three streams of research of which were built on the models of 1980s. The first stream of research has addressed the managerial challenges of the integrated network MNE. MNEs have been in a process of shift to a more transnational organization. Murtha, Lendway and Bagozzi (as cited in Westney and Zaheer, 2001) have made a study about the mindsets of managers and the change in those mindsets at the corporate and

operating unit levels in terms of integration, responsiveness and changing role of country subsidiaries and found that the mindsets of managers tended to converge.

The other two approaches have started with theory and focused on bringing the analysis of the MNE and recent developments in theory. One of them have focused on organization theory (e.g., institutional theory and network theory), the other on emerging theories in the field of strategy (e.g., the resource-based view).

The 'new institutionalism' in organization theory (OT) can be traced back to important articles by Di Maggio and Powell (1983) and also Meyer and Rowan (as cited in DiMaggio and Powell, 1983). These researchers have criticized the established models of environmental pressures' over-emphasis on evolutionary pressures for competitive efficiency. Instead, they have focused on a different process called '*isomorphic pressures'* on organizations to adapt to other organizations around them'. The idea of a relatively stable and unitary environment faced by a domestic firm was challenged by this institutional theory (Westney and Zaheer, 2001).

The third stream of research covered knowledge transfer within the MNEs. The firm's knowledge base has already been recognized as a source for competitive advantage. The focus in knowledge shifted from organizational operating advantages to advantages in generating innovations and transferring knowledge. That has been crucial for MNEs in for cross-border knowledge management.

2.5 Organization - Environment Theories and MNEs

MNEs compete in the global economy today. In operating globally, these enterprises possess their own internal structures and processes. On the other hand, they engage in exchanges with the environments they operate in. The internal dynamics within the organization and different forces coming from the environment external to the organization may collide with one another.

2.5.1 Institutional Theory

Institutionalism is a concept which corresponds to different meanings in sociology, economics and political sciences and researchers provide different aspects of institutions in each of these fields. DiMaggio and Powell (1983) have argued that the work of new institutionalists in sociology has been the most important one on organization theory. Tempel (2001) have put forward Zucker's (1987) two different theoretical approaches to institutionalization within sociology. The 'environment as institution' approach takes the idea that the organizations copy or adopt the institutional elements from external forces outside the organization. This approach assumes the coercive powers of the state as a process of institutionalization. On the other hand, the 'organization as institution' assumes the institutional elements not from outside but within the organization. However, as a result of many discussions and researches at societal level, the role of the state receives most attention in shaping institutions. Tempel (2001) have quoted Whitley's (1992) statement about the state as "the dominant collectivity for organizing so many of the social institutions which impinge directly on economics activities such as legal, education and financial systems as well as itself constituting one of the major influences on firm structure and behavior. p.37" In addition, Gooderham, Nordhaug and Ringdal (1999) have argued that new institutionalism in organization theory focused on the forces for achieving and maintaining legitimacy in relation to the environment. So, *environment as institution* is the primary approach for institutional theory in explaining the influence of institutional environments on firms at societal level.

In addition to the discussion of the theoretical approaches, it has been put forward that the traditional institutionalists in sociology stress the importance of normative and regulative elements of institutions while the new institutionalists focus on the cognitive elements. However, later as claimed by many scholars (Scott, 1995; Lane, 1995; DiMaggio and Powell as cited in Tempel, 2001) it is better to develop a more comprehensive view of institutions as having cognitive, normative and regular elements.

Institutional theory has been widely used for studying the adoption and diffusion of organizational practices among organizations (Kostova and Roth, 2002). In explaining institutionalism, DiMaggio and Powell (1983) have discussed the relation

between institutions and organizational theory, organizational diversity. They have explained that in their initial stages of their life cycle, organizations may alter their goals and strategies or develop new practices. Organization's selection of goals, strategies and new practices is only valid in the early years of the industry's or field's existence. Once these strategies and practices are implemented by increasing number of organizations, and then the organizational field or the industry becomes well-established. The practices and reforms applied by organizations attain a level of institutional legitimacy which in turn brings a push toward homogenization. As a result, the strategies that the individual organizations find "rational" are regarded as "normatively sanctioned" as the number of organizations grow. The process becomes one of an "adoption" rather than a "rational" decision.

Moreover, DiMaggio and Powell (1983) have also argued that organizational field should be institutionally defined. They have explained that the process of institutional definition or "structuration" consists of four steps:

- an increase in the extent of interaction among organizations in the field
- the emergence of sharply defined inter organizational structures of domination and patterns of coalition
- an increase in the information loads with which organizations must contend,
- development of a mutual awareness among participants in a set of organizations that they are involved in a common enterprise.

DiMaggio and Powell (1983) have discussed that this process of homogenization or structuration is the definition of ***"isomorphism"*** concept. Previously, Hawley (as cited in DiMaggio and Powell, 1983) has described *isomorphism* as "a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions." Organizations in the same environment will implement similar practices due to the organization's conformity to institutional pressures and will become "isomorphic" with each other."

Besides, Rosenzweig and Singh (1991) mentioned that the institutional pressures in an environment are specific to that environment or nation. Thus organizational practices are expected to differentiate across nations. As Gooderham, Nordhaug and Ringdal (1999, p.507) state: "While the rational model assumes that organizational

practices are universal across national borders, institutionalism is sensitive to the possibility of cross-national institutional differences, which in turn generate significant cross-national differences in managerial systems."

DiMaggio and Powell (1983) discussed about two types of ***isomorphism*** named as *competitive* and *institutional isomorphism. Competitive isomorphism* refers to a rationality that focuses on market competition, niche change and fitness measures and that is relevant for free and opens competitive markets. However, this type of isomorphism does not fully explain the modern world of organizations. Therefore, an *institutional view of isomorphism* is required for presenting the pressures— i.e. political power, institutional legitimacy, social, economic fitness- that surrounds most of the organizations of today.

DiMaggio and Powell (1983) argued about three elements of institutional isomorphic change over which many other scholars (e.g., Kostova and Roth, 2002; Subramanian and Şengül, 2005; Gooderham, Nordhaug, Ringdal, 1999; Scott, 1995) look in the following years. They were named by DiMaggio and Powell (1983) coercive, mimetic and normative isomorphism. Below, these 3 elements as are explained:

2.5.1.1 Coercive (Regulatory) Isomorphism

The coercive (or regulatory) component reflects the issue of legitimacy in terms of existing and formal laws and rules and sanctions in a particular national environment. The organizations in the environment are under these formal and informal influences exerted by other regulative institutions and pressures of some cultural expectations in the society. Legal and technical requirements of the state affect many aspects within an organization and its behavior while promoting certain types of behaviors or restricting others. For instance, if there are certain environmental regulations to be conformed by organizations, the manufacturers adopt new pollution control technologies. Another example may be given from international business. Due to the formal procedures and sanctions in the host country, MNEs in that host country will handle their labor relations accordingly (Scott, 1987). Meyer and Rowan (as cited in DiMaggio and Powell, 1983, p.150) have mentioned that organizations in a certain institutional environment adopt certain rules in order to confirm to wider institutions and to be legitimated by and within the state. This behavior of organizations is

promoted when rational organizations raise their sphere and degree of influence over more areas of life.

2.5.1.2 Mimetic (Cognitive) Isomorphism

Coercive authority is not the only component of institutional isomorphism. There are also some uncertainties or ambiguities in environment of new organizations. In that case, organizations may imitate other organizations' or engage in mimetic behavior. This activity is also called as modeling which is a response to uncertainty (DiMaggio and Powell, 1983).

The mimetic (cognitive) element reflects the shared social knowledge and cognitive categories— i.e. stereotypes, schemata-which tend to be commonly accepted and known protocols. The organizations that are in interaction with the new environment may get to know for instance; how resources are allocated, business problems are resolved, new technologies are implemented, bureaucracy is handled, etc. These protocols will vary from society to another (Rangan and Şengül, 2005). According to Ghoshal and Westney (2005), in mimetic isomorphism, organizations adopt the pattern of other organizations which are defined as "successful" in that environment when they feel uncertainty in the environment. For instance; Di Maggio and Powell (1983) presented the example from a large metropolitan public television station switching from a public television to a multidivisional structure with the advice of a consulting firm. The result of this process has been a success that the new technology is more efficient.

2.5.1.3 Normative Isomorphism

According to DiMaggio and Powell (1983: 152) "the institutional elements proposed by normative isomorphism stem from professionalization". They have defined professionalization as "the collective struggle of members of an occupation to define the conditions and methods of their work to control the production of producers, and to establish a cognitive base and legitimacy for their occupational autonomy." Normative isomorphism reflects appropriate organizational norms, by which many organizations and professionals succeed. DiMaggio and Powell (1983) have presented that this type of isomorphism might be evident both in formal education

and in organizations spanned by professional networks. For instance; they have asserted that universities promote the development of organizational norms among professionals. In business field, many organizations make use of common interview techniques to filter out best talent personnel who are even tracked throughout their career. The authors have argued that as these individuals in the same environment pass through the identical filtering processes, it is natural to have a pool of people or professionals pursuing same attributes, cultural values, and procedures, approaching problems, decisions from similar points of view.

2.5.2 Resource Dependence Theory

The pioneers of **resource dependence theory** are *Jeffrey Pfeffer* and *Gerald Salancik* (1978) who have published their ideas in their book *'The External Control of Organizations'*. Their starting point of resource dependence theory have risen from the idea that the environment is a powerful constraint on organizational action, however still people in organizations can learn to handle the pressures coming from that environment. Similarly Friedland and Alford (1992) have also provided an explanation for resource dependence theory. Accordingly, the theory assumes that in line with the priority of organizational survival and power, organizations have strategic autonomy to manage the uncertain resources available in the environment.

The basic argument of resource dependence theory is that there is a *power/dependence relationship* between the organization and other players in the network, which necessitates an analysis of inter organizational relations within the network of the organization. Accordingly, organizations' dependence on the environment is derived from their need for resources. For instance, an organization may require labor, managerial expertise, know-how, raw materials, capital and technology which are controlled by the environment. What is highly important is that the organization may be dependent on a complex set of dependencies in the environment found in the inter-organizational network (Pfeffer and Salancik, 1978).

Hatch has (1997) provided a model of applying resource dependence theory to an organization's needed resources and tracing resources to their sources. A combination of open systems model and inter organizational network helps visualize

the process (Figure 2.5). Accordingly, an open systems model views the organization as a mechanism for transforming inputs into outputs. Therefore, resource inputs are outputs are identified by the open systems model. The inter-organizational network helps identify the location of resources and outputs. Other elements in the network also supply labor, capital and knowledge required for the organization— i.e. labor from employment agencies, capital from financial institutions and knowledge from universities. These environmental elements might influence the organization – environment relationship. Further, Hatch (1997) has asserted that resource dependence theory plays a role in the organization's resource exchanges. Raw materials and customers have potential to create competition, or regulatory agencies compete with organizations to influence regulators.

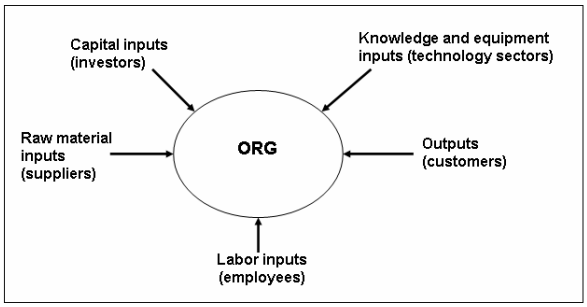


Figure 2.5. Applying Resource Dependence Theory

From *Organization Theory: Modern, Symbolic and Postmodern Perspectives* by M. J. Hatch, 1997, New York: Oxford University Press.

The procedural model presents that organizations has considered every source of dependence seems too perfect in application to real life. So, the crucial point was to prioritize resources according to their criticality and scarcity. Criticality has referred to a prediction of the importance of a particular resource. These have been the resources without which the organization can not function. For instance; bread and beef are critical sources for Burger King, whereas cleaning tissues are not. Scarcity refers to a prediction of the resource availability, existence in the environment. For instance petroleum is scarce, whereas air is not (for the moment). So, organizations give the highest emphasis on those resources that are both critical and scarce and they track and manage dependencies (Hatch, 1997).

Rosenzweig and Singh (1991) have claimed that while some resources are relatively immobile such as skilled labor or are subject to government restrictions (e.g., technology), other resources like capital may be easily obtained from a great distance (e.g., capital) or may move freely among nations (e.g., expatriates). So, the more resources are immobile or possess transfer difficulties, the more dependent an organization may be on these resources in a certain environment.

2.5.3 Contingency Theory

Organizations may operate in predictable or non-predictable environments. In stable and predictable environments, the organizations operate with strict lines of authority, relationships are hierarchical. Employees' jobs and responsibilities are precisely determined and they are specialized in their activities. These organizations are called as ***mechanistic*** organizations (Hatch, 1997; Pennings and Tripathi, 1978). Whereas in unstable environments, the organization is highly flexible meaning that they adapt to changing circumstances, there is much less specialization in jobs, relationships are less formalized and less hierarchical than mechanistic organizations. These organization types are called as ***organic*** organizations.

Early contingency theorists Tom Burns and George Stalker (as cited in Pennings and Tripathi, 1978) contributed to the **contingency theory** by combining it with forms of organizations. They have argued that different conditions of change and complexity in the environment call for different organizing types. It has been discussed that a mechanistic or an organic organization type can be appropriate to different environmental conditions. While, stable environments require mechanistic organizations, unstable environments may require organic organizations.

Contingency theories of organization developed mainly in 1960s by comprehensive studies of Woodward (1965), Thompson (1967) and Lawrence and Lorsch (as cited in Ghoshal and Westney, 2005). Contingency theory has stated that the uncertainty in environmental characteristics—i.e. technological change, market conditions– is the main determinant of most appropriate structural arrangements for organizations.

Many articles have been published for the contingency perspective stating, "There is no best way to organize. Any way of organizing is not equally effective." p.2. (Galbraith, as cited in Pfeffer, 1997). Pfeffer (1997) interpreted these statements and argued that structural reformulations and arrangements would be considered differently under different conditions such as variations in strategy, size, technological or environmental uncertainties. Those organizations that possess structures to meet the requirements of these changing conditions will be successful.

Based on the discussions above, it is necessary to discuss about some contingent factors or variables influencing organizations. A ***variable*** is contingent to the degree that businesses that differ on that variable and also exhibit major differences in how each independent factor are associated with the dependent factor. Previously, researchers also identified contingent factors which might influence strategy implementation (Hambrick and Lei; Hofer; as cited in Fisher, 1998). Fisher (1998) has listed five categories of a contingency list of which can not be exhaustive. *The first category* included uncertainty related variables consisting of task and external environment uncertainty. *The second category* consisted of contingent variables related to the firm technology and interdependence. *The third category* of contingent variables included industry, business and firm unit variables such as age, size, diversification, structure, sector, etc. *The fourth category* involved competitive strategy and mission. *The last category* consisted of observability factors of behavior or outcomes. Below major variants/factors of structural contingency theory is presented:

Table 2.1. Overview of Structural Contingency Theory

Factors that Affect Structure	Structural Elements Affected
Strategy product differentiation price	Form (Multidivisional, functional, matrix)
Size	Size of the administrative component
Technology production process information technology amount of variability	Degree of bureaucratization formalization (use of rules) functional specialization centralization standardization formalization
Environment Uncertainty/unpredictability Degree of competition Amount of change Resource munificence	Differentiation number of levels number of departments/divisions

From *New Directions for Organization Theory: Problems and Prospects* by J. Pfeffer, 1997, New York: Oxford University Press.

The factors that influence the structural elements in organizations include strategy, technology, organizational size and issues in organization's environment such as the degree of competition, the amount of change and uncertainty. The structural elements under influence include the size of the administrative component, formalization, centralization, standardization, the degree of functional specialization, the degree of vertical and horizontal differentiation (see Table 2.1).

There has been some significant evidence on the influence of factors over the structural elements. For instance, Blau (as cited in Pfeffer, 1997) argue that as size increases, it produces structural differentiation but at a diminishing rate. Other findings stated by Pfeffer from the literature are such that size causes structural differentiation, as organizations become larger, they tend to be more formalized and more specialized.

The effects of technology on structure are also worth explaining. Scott (as cited in Pfeffer, 1997) has argued that the definition of technology include variability, unpredictability. Therefore, the utilization of technology in a firm requires more flexibility, such as decentralization and less formalization. The more predictable and stable the environment is, the more mechanistic or bureaucratic organization structure is appropriate. The more dynamic and uncertain the environment is, the more flexible and organic structure is required.

Contingency theory has influenced research on MNEs. Ghoshal and Westney (2005) have mentioned that structural adaptation of MNEs to geographic or product diversity, studies on control patterns of headquarters over subsidiaries are examples of contingency theory.

2.5.4 Population Ecology Theory

Population ecology theory has been based on the statistical methods introduced by Michael Hannan, John Freeman, Howard Aldrich, among others in the 1970s. This theory has used biological concepts and principles and argues that environmental forces are the determinants of organizational outcomes (Hannan and Freeman, 1977). That is organizations depend on their environment for the resources. Hatch (1997)

argues that resource dependence theory and population ecology theory are similar regarding this way of dependency and that the environment is more powerful than the organization. However, differing from the resource dependence theory, Hatch (1997) has asserted that population ecology examines organizations from the environment perspective, rather than the perspective of the organization. This means, the environment in which the organizations operate has the power to select those organizations that serve its needs. **A niche** here is defined as the resource pool which a group of organizations share. These population ecologists have assumed that organizations sharing a niche are competitively interdependent and the way they adopt this interdependence in the population influence their survival and prosperity or organization. As a result, organizations strive for their survival.

Hatch (1997) mentions that in population ecology, evolutionary processes such as organizational birth, death rates, strategies that successful organizations pursue are examined. However this examination is not based on an individual organization analysis but rather on the interrelated group of organizations that make up the population. Accordingly, the population ecology is in line with the *Darwin's survival of the fittest principle* but it is an organizational version of this principle. In population ecology, there are three steps to evolutionary process. These are *variation, selection* and *retention*. The population of organizations through birth or the adaptation of established organizations forms ***variation*** in the environment. Then the environment selects those organizations that best meet the demands of the environment and support them with resources and retained. This is the ***selection*** process. The organizations that are selected will survive and this step is called ***retention***. Other non-selected organizations are removed from the population (Hatch, 1997).

In population ecology, the emphasis is on the environmental level of analysis and some issues related to organization are usually given up. So the theory shows managers that organizational outcomes can not always be under their control and divert managers from an extreme organization-centered perspective.

2.6 Strategic Development in MNEs

Business strategy refers to identifying and making use of the capabilities of the firm, continuously renewing the resources, establishing a set of goals and objectives, understanding the structure of the marketplace and choosing among a set of strategic alternatives in order to achieve competitive advantage and financial performance (Tallman and Yip, 2001). The macro-environment of the organization is also very important to consider as well as the organizational issues. In the global market, a multinational enterprise is competitive to the extent that they have the ability to adapt or change these strategic options according to the competitive situation faced by that enterprise. Below is discussed ***strategic analysis of MNEs at the overall firm level***:

2.6.1 The Integration-Responsiveness Framework and Its Foundations

In the recent decades, an increasing variety of businesses have been facing intense competition not only domestically but, also globally due to a wave of technological and political changes as well as emergence of new industrial powers (especially China). In the globalization race, as the enterprises internationalize, they set up large number of subsidiary companies across borders. Due to this global expansion, MNEs should develop global strategies and develop standardized products and marketing approaches. On the other hand, in different national settings where MNE subsidiaries operate, there are different tastes, preferences, needs, cultural settings that lead the customers to demand differentiated products. In such a case, MNEs should develop multi-domestic strategies that focus on local responsiveness (Paik and Sohn, 2004; Myloni, Harzing and Mirza, 2004; Ferner, 1994; Rosenzweig and Singh, 1991). As a result, MNEs and their subsidiaries face the two conflicting pressures called global integration and local responsiveness. Therefore, it is inevitable for the MNEs to employ a strategy that will accommodate the two conflicting needs.

Several paradigms have been developed to identify, assess and describe strategy at the corporate level in MNEs. Among these paradigms, two of the most highlighting framework with empirical evidence is the I/R framework as suggested by Prahalad and Doz (1987) and the coordination-configuration framework as developed by Porter (1986) for MNE strategy development.

2.6.2 Integration-Differentiation Framework of Lawrence and Lorsch

I/R Framework was actually introduced firstly by Lawrence and Lorsch (as cited in Paik and Sohn, 2004) by whom integration was defined as the need for collaboration among different departments and differentiation was defined as the difference in cognitive and emotional orientation among managers in different functional departments. They offered a contingency organization theory in which the balance between integration and differentiation can be maintained based on the level of uncertainty in the external environment. Therefore, the issue of integration and responsiveness originated from organization theory. This conflictual debate then expanded into the MNE literature (Paik and Sohn, 2004).

2.6.3 Integration-Differentiation Framework of Thompson

Thompson (as cited in Paik and Sohn, 2004) has based the concept of interdependence on the integration-differentiation framework and has argued that the organizations are interdependent on one another. With respect to MNEs, there is interdependence (lateral linkages) between the subsidiaries and their corporate affiliates due to the intra-firm resource flows to and from other entities. This is because these resource flows necessitate extensive coordination which leads to reciprocal interdependencies. This interdependency requires both internal consistency or global integration and also leaving room for differentiation and adaptation without the control of the MNE Headquarters.

2.6.4 Integration-Responsiveness Framework of Prahalad and Doz

C.K. Prahalad, Yves Doz (1987) have developed *Global Integration and Local Responsiveness* as a selection mechanism for MNE evolution based on the managerial perceptions of the environment along two basic imperatives. The origins of this framework actually lie in the doctoral dissertations of C.K. Prahalad and Yves Doz in the mid 1970s after the universal acknowledgement of the contingency framework of Lawrence and Lorsch (1967). Prahalad and Doz (1987) have proposed that there are three building blocks in order to determine a business' characteristics:

- **Global Integration of Activities**: Integration involves managing all the business activities through a centralized authority which is the headquarters. Enterprises

engage in integration due to a need to reduce manufacturing costs. A firm may establish a network of manufacturing facilities in many countries and logistics management becomes crucial for the integration of activities.

- **Global Strategic Coordination:** Strategic coordination refers to coordinating technology transfers to and among subsidiaries, arranging R&D activities across several laboratories. Strategic coordination need not necessarily involve all subsidiaries but headquarters and one, few or many subsidiaries due to specific goals given to them. Therefore, strategic coordination can be selective.
- **Local Responsiveness:** Local responsiveness requires the need for local adaptation of outputs in order to serve the different needs of local demands. Local responsiveness usually works for businesses which do not require cost reduction (economies of scale) or perform proprietary technology.

Among these three elements, Prahalad and Doz (1987) have recognized mainly global integration of activities and local responsiveness. The demand in strategic coordination may be related to the degree of need for global integration. These two significant but contradictory demands on MNEs usually shape specific business practices (from manufacturing, to finance or HR) to different degrees (e.g., Doz, et. al., 1981; Prahalad and Doz, 1987; Lu & Bjorkman, 1997; Harzing & Ruysseveldt, 2004).

2.6.4.1 The pressures for Global Integration and Strategic Coordination

Below, the necessities of organizations for integration and coordination are explained (Prahalad and Doz, 1987):

- **Importance of multinational customers.** A business can be dependent on multinational customers who often compare prices charged them by their suppliers around the world, demand the same level of service and support. The product is sold at the headquarters and distributed across borders to customers.
- **Presence of multinational competitors.** If the competitors of a business operate in multiple markets, then global competition is required. The enterprise requires information regarding the strategic intent of competitors across different markets so that they can respond back accordingly.
- **Investment intensity.** The more intensive investment (e.g., R&D, manufacturing) the enterprise requires, the higher is the need for global

coordination. For instance; medical products business or electronics business requires high intensity of investment and so, global coordination and integration is required.

- **Technology intensity**. When firms have strong technology intensity or proprietary technology, their manufacturing sites are established in fewer places and under regular control in terms of quality and cost. Then global integration is the preferential strategy.
- **Pressure for cost reduction**. The need for cost reduction brings forward the need for global integration.
- **Universal needs**. When there is a universal need for a product around the world which requires little or no localization—electronic products, capacitors, resistors-across national markets, global integration is needed.
- **Access to raw materials and energy**. Firms building specific products (e.g. petrochemicals) try to establish their manufacturing plants closer to locations where they access raw materials easily which require some global integration.

2.6.4.2 The Pressures for Local Responsiveness

Below, the necessities of organizations for integration and coordination are explained (Prahalad and Doz, 1987):

- **Differences in customer needs.** Locally responsive strategy is required for businesses which aim to meet the needs and of different set of customers.
- **Differences in distribution channels.** Differences in distribution channels between different countries or differences in pricing, promotion, product positioning and advertising require local responsiveness.
- **Availability of substitutes and the need to adapt.** When a firm finds the substitutes of its products in the markets it operates then the products should be significantly adapted to the local needs in order to be locally competitive.
- **Market structure.** Local responsiveness strategy is pursued if only a part of the market is controlled by local competitors and the industry is not concentrated.
- **Host government demands.** Certain demands may be posed to the multinational enterprise by the host government that may force the business to pursue locally responsive strategies.

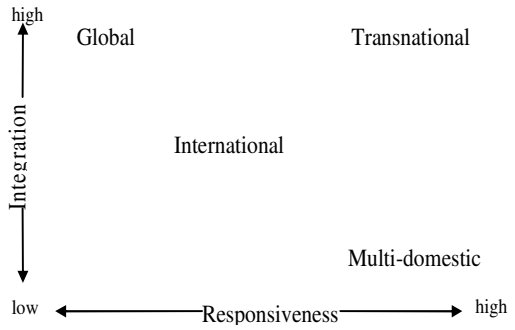


Figure 2.6. The Integration-Responsiveness Framework

From *The Multinational Mission: Balancing Local Demands and Global Vision* by C.K. Prahalad, & Y. L. Doz, 1987, New York: The Free Press, A Division of Macmillan, Inc.

Prahalad and Doz (1987) have presented the I/R framework as a separate axis comprising 2x2 matrix shown in Figure 2.6. The vertical axis represents the degree of integration and the horizontal axis represents the degree of national responsiveness or differentiation. The vertical axis also demonstrates the degree of central coordination by the headquarters and the horizontal axis represents the degree of subsidiaries in strategic and operational decisions. Meanwhile, Bartlett and Ghoshal have (1989) developed 4 organizational models which is positioned on the I/R Framework portraying different levels of integration and responsiveness (see. Figure 2.13).

2.6.5 Porter's Coordination-Configuration (C-C) Framework

Porter (1986) has proposed a corporate strategy model, as a second dominant approach. Porter has made a linkage between the value-chain activities of the firm and international competition. By value-chain activities, he considered the collection of discrete activities (primary and secondary) to do business in an industry. The primary activities include sales, marketing, in-bound and out-bound logistics, operations and the secondary activities include the technology development, HRM, procurement (supply of raw materials, machinery, etc.) and firm infrastructure which help the primary activities take place on an ongoing basis.

When these value-chain activities provide some competitive advantage on a worldwide basis, then the company may decide to compete internationally. In that case, Porter (1986) has put forward that the firm has to correctly allocate these

activities among the countries, it operates in. He provided two dimensions of how a firm competes internationally: Configuration and coordination.

The first dimension, titled as ***configuration*** has been considered by Porter as the configuration of international firm's (value-chain) activities worldwide. The aspect of location is the center of analysis. The location and the numbers of locations where value-chain activity takes place are the concerns here. A firm may have configuration alternatives of either ***concentrated*** or ***dispersed***. In the ***concentrated'*** case, a firm may perform an activity only in one area and serving all the international operations from that central point. Meanwhile, in ***'dispersed'*** case, the activities can be performed in every country. Porter has argued that as an enterprise goes international to overseas markets, one of the important sources of international competitive advantage lies in its ability to decide on the configuration choices. As Porter (as cited in Taggart, 1997) has mentioned performing an activity only in one location may bring competitive advantage in economies of scale, however dispersion of activities in different countries will be better when the costs of communication, transportation and storage are high.

Coordination involves various options. Coordination includes the degree of similarity or linkage in activities when they are performed across a network of countries in order to improve competitive advantage (Taggart, 1997). Porter (1986) has argued that when subsidiaries of an MNE are autonomous in their operations there will be no coordination; however when subsidiaries of an MNE are linked or tightly coordinated by the same control systems, information systems, technologies infrastructures and management processes, there are many coordination choices. In Porter's Model, the configuration and coordination dimensions are brought together for evaluating international strategy at the overall firm level. The subsidiary level strategy in the figure is discussed in section 2.9.1.2. The model basically presents four strategy prescriptions as shown in Figure 2.7.

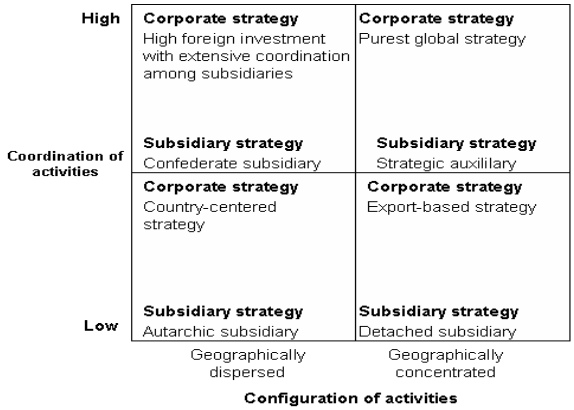


Figure 2.7. Types of International Strategy

From *Competition in Global Industries* by M. E. Porter, 1986, Boston, Massachusetts: Hardvard Business School Press, p.28.

- **Purest Global Strategy.** High coordination and high configuration yield a purest global strategy. Many activities are concentrated in one country and the world is served from this home base. Secondly, there is tight coordination among countries in which the firms operates through the standardization of systems and processes. A company like Microsoft pursues this strategy same as Toyota. Today, Toyota is more dispersed in configuration of activities.
- **High Foreign Investment with Extensive Coordination among Subsidiaries.** High foreign investment strategy is required when there is high coordination with quite dispersed activities among the network of subsidiaries. Companies from electronics industry like Motorola and Xerox are examples to this strategy.
- **Country-Centered Strategy.** This strategy evolves when there is low coordination among subsidiaries with many dispersed activities. The subsidiaries in this case act as quasi-independent firms. International food industry involves companies pursuing this strategy (e.g., Unilever).
- **Export-Based Strategy.** This strategy is usually followed by those firms that newly internationalize or that are in a transition phase in international business or that pursue decentralized marketing. For instance, Canon's majority of activities are performed in Japan, however there is lower coordination. The local marketing activities in different countries are quite autonomous; the subsidiaries are having freedom and flexibility in marketing issues.

2.7 Strategic Planning in MNEs

Many studies have been conducted on the approaches of strategy and structure formulation of MNEs. One of the previous studies conducted by Chandler (as cited in Harzing and Ruysseveldt, 2004) put forward a deterministic relationship between strategy and structure. Chandler has named four growth strategies as expansion of volume, geographic dispersion, vertical integration and product diversification. According to his approach, MNEs formulate their strategies first and then establish their structures with respect to these strategies.

Stopford and Wells (1972) also examined the relationship between strategy and structure; however they involved the international context in this relationship. Having made an empirical investigation with 187 large American MNEs, two strategic variables were found namely 'foreign product diversity' and 'percentage of foreign sales'. According to the model, MNEs adopt different organizational structures at different expansion strategies (Figure 2.8).

Figure 2.8. Stopford and Wells' International Structural Stages Model

From *International Human Resource Management* by Harzing, A., Ruysseveldt, J. V. (2004), 2nd Edition, London: Sage Publications.

The authors have found that, at the first internationalization stage, foreign sales and foreign product diversity of the firm are limited. If the international structure is simple, this helps the firm create a pool of international experience and expertise. However, as the international presence expands, problems may appear. Since the international division is considered as one of the many divisions in the firm, the firm may underestimate the importance of international activities and diversity of

operations. There may be also no coordination of operations between domestic and international divisions, if they are motivated to function in isolation.

According to Stopford and Wells (1972), as the company expands internationally, it may choose either the worldwide area or the product division structure. The worldwide area division structure is appropriate if the company has low level of foreign product diversity that only requires adaptation to different tastes and expectations. Each division usually operates autonomously with its own production, marketing, R&D, etc. functions and local responsiveness is the key competitive advantage. Companies with a wide product line, choose a worldwide product structure. Divisions are distinguished according to the product group for efficiency.

A further step for a company is to enter a global matrix structure which combines local responsiveness and global integration advantages of the two previous structures. Since product and area divisions are found in the same organization structure, usually each manager has two bosses creating decision-making conflicts. The stages in the internationalization of organizations are shown in Table 2.2:

Table 2.2. Stopford and Wells: Stages in Internationalization

Stage	Strategy	Structure
Early stage of internationalization	Low product diversity; low foreign sales	International division
Alternative path	Increasing product diversity	Product division structure
Alternative path	Increasing foreign sales	Area division structure
Final stage of internationalization	High product diversity; high foreign sales	Global or matrix structure

From *International Human Resource Management* by Harzing, A., Ruysseveldt, J. V., 2004, 2nd Edition, London: Sage Publications.

In the following years, different organizational structures were compared in terms of product diversity, dependency on foreign operations, emphasis on strategy and ownership and control characteristics and it was found that foreign sales and product diversity were the primary catalysts for structural changes in MNEs (Harzing and Ruysseveldt, 2004). However Egelhoff (1988) has later found that 'the relative size of foreign manufacturing' was also another crucial criterion to distinguish between area division and product division structures. High levels of manufacturing were visible in MNEs with area division structures than MNEs with product division structures.

2.7.1 Tallman and Yip's Analytical Framework for Strategic Planning

There has been deep research and literature about the implementation of strategy. In general, a strategic analysis includes crafting corporate goals and objectives, industry and competitive analysis, capability and resource analysis, developing strategic alternatives, selecting a strategy and implementing it (see Figure 2.9).

Tallman and Yip (2001) have argued that in international strategy some other aspects also enter the picture. They focused "on strategic considerations of the multinational enterprise". They assert that there are special institutional contexts and specific matters in the international strategy.

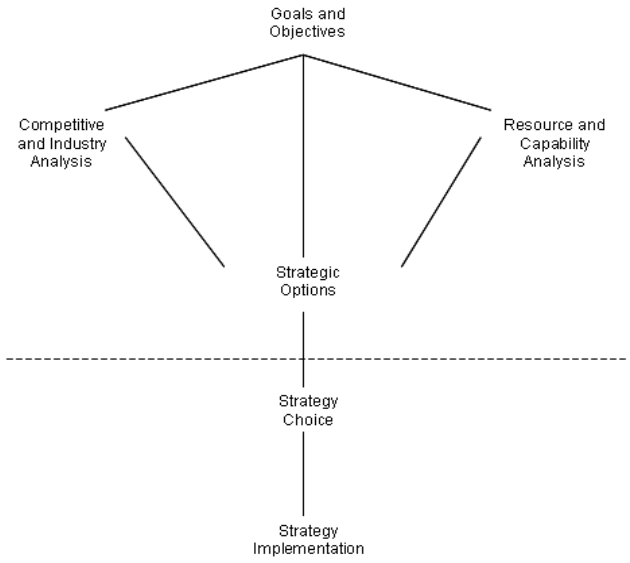


Figure 2.9. Tallman and Yip's Analytical Framework for Strategic Planning

From "Srategy and the Multinational Enterprise" *b*y S.B. Tallman, & G. S. Yip, 2001, *Oxford Handbook of International Business*, 317-348.

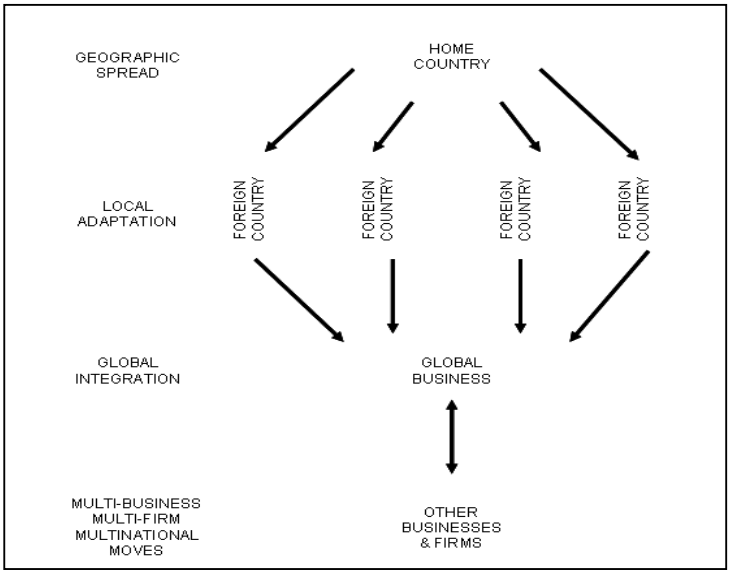


Figure 2.10. International Strategy Issues

From "Srategy and the Multinational Enterprise" *by* S.B. Tallman, & G. S. Yip, 2001, *Oxford Handbook of International Business*, 317-348.

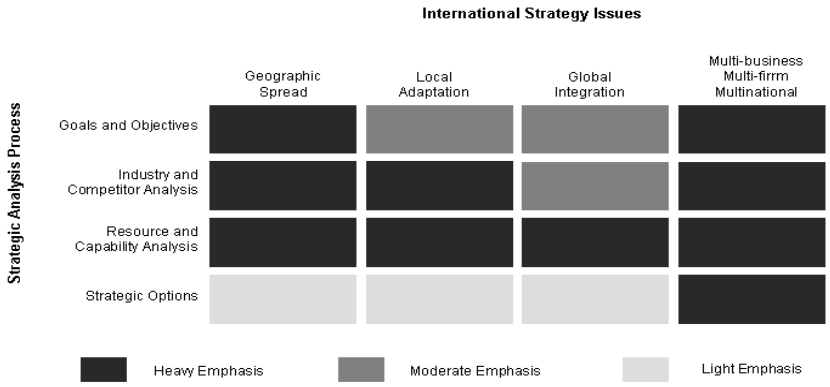


Figure 2.11. International Strategy Issues and The Strategic Analysis Process

From "Srategy and the Multinational Enterprise" *by* S.B. Tallman, & G. S. Yip, 2001, *Oxford Handbook of International Business*, 317-348.

In this article, Tallman and Yip (2001) have examined the strategic analysis process, determined the international issues in international strategy (Figure 2.10). Through considering strategic analysis process and international strategy as orthogonal to other, they investigate international issues using the strategic analysis process (Figure 2.11). Their approach is presented below:

2.7.1.1 Geographic Spread

International strategy issue begins with the expansions of the enterprise operations overseas, beyond the borders of the home country. The goals and objectives of going international are various. A common reason to internationalize is to expand in larger markets and develop new products, new manufacturing areas, etc. When the national market of the domestic enterprise is saturated, then the enterprises decide to access international markets. As expansion increases and becomes more competitive, MNEs gain stronger market power to dominate markets overseas.

The concept of resources and capabilities are helpful to MNEs. First, an enterprise who wants to go international, maintains certain resources and skills which they can leverage through international expansion. Second, international expansion also helps MNEs achieve certain resources and capabilities especially_when MNEs feel shortage of these resources (i.e. cheap land, labor) in the home country.

Industry and competitor analysis of Porter (as cited in Tallman and Yip, 2001) may be applied to geographic expansion. An initial competitive advantage should be made in order for an enterprise to access foreign markets. The important issue is the advantage is relative to each specific country. This means enterprises that try to enter markets in less developed or developing economies usually find more demanding markets which becomes one of a valuable competitive advantage for them. Whereas, enterprises selling to economies with similar development needs can have competitive advantage through local adaptation. The more developed economies are the most challenging markets to achieve a competitive advantage. 'Lowering prices' or 'focusing on market niches' may be some ways to establish it.

Tallman and Yip (2001) have asserted that some strategic issues should be considered in geographic spread. The first is the 'choice of country to enter'. The global strategic importance of the countries such as home market of global customers, market of global competitors, source of industry innovation are also crucial in country choices. The second issue is the 'choice of entry mode'. These may be export entry modes, contractual entry modes (e.g., licensing, franshising, management contracts,), investment entry mods (e.g., direct entry, joint venture) .

2.7.1.2 Local Adaptation

While many enterprises go international, the strategies they pursue in serving host markets may differ. Either they may adapt their products to the local tastes of host markets or may provide standardized goods or services to identical to those sold at home country. For the industries that change rapidly, or that appeal to customer expectations, MNEs take the local adaptation strategy while operating overseas.

The goals and objectives of local adaptation are to achieve and maintain the best fit with customers, suppliers, partners through adapting outputs to the local demands, and tastes. Another important goal for MNEs is to balance the forces of global integration and local adaptation.

In local adaptation, industry and competitor analysis should be applied to the local country. Entering a new country, an MNE may come across different opportunities and threats, to which it should pay attention. In addition to analyzing barriers to entry/exit, bargaining power of buyers/suppliers issues of Porter Five Forces framework, an MNE should examine whether the customers are flexible for new products from foreign companies or logistical access is easily managed or not.

It is important for MNEs to decide the amount of resources they subsidize in particular countries as it may involve stakes as well as risks because, since resource allocations to countries would mean efforts expended. On the other hand, in strategic options, actual and presented degrees of adaptation are crucial. An MNE may present itself as locally adaptive but actually operate with global integration.

2.7.1.3 Global Integration

Globalization refers to integrating and fully exploiting worldwide operations of the MNE across international markets and controlling these operations centrally. Economies of scale in value-added activities are objectives for global integration.

A global industry (e.g., computer industry) and multi-local industry (e.g., FMCG industry) yield differences in global integration. A global industry is characterized, as defined by Morrison (as cited in Tallman and Yip, 2001) “as having intense levels of

international competition, competitors marketing a standardized product worldwide, industry competitors that have a presence in all key international markets and high levels of international trade." Globally integrated firms, develop new capabilities in their global activities by efficient transmitting of knowledge throughout the network of subsidiaries. Finally, the strategic options for MNEs pursuing global integration strategy are many:

- Global market participation (e.g., building a major share in strategic countries)
- Global product standardization (rather than local product adaptation)
- Global activity location (e.g., building a global value chain)
- Globally uniform marketing (e.g., global brand names or advertising)

The evidence, about which type of global integration strategies are favorable, has emphasized globally integrated strategies. Meanwhile, Morrison (as cited in Tallman and Yip, 2001) has proposed that global-combination strategy brings the best performance on return-on-assets and nevertheless it may not be possible to differentiate between global integration and local adaptation as always "the best and worst" for a subsidiary.

2.7.2 Harzing and Ruysseveldt's Framework for Strategic Planning

Strategic planning in MNEs involves matching markets with products and corporate resources where an MNE conducts external and internal analysis and develop its strategic business units (SBUs) (Harzing and Ruysseveldt, 1995). An MNE should define its market entry strategy and its competitive strategy for each SBU. The organizational structure, control and coordination strategies are the most important issues in implementing these strategies. Harzing and Ruysseveldt have (1995) shown an environment-strategy-structure relationship by making an external and internal analysis which will form the basis of HR strategies and other functional strategies (see Figure 2.12).

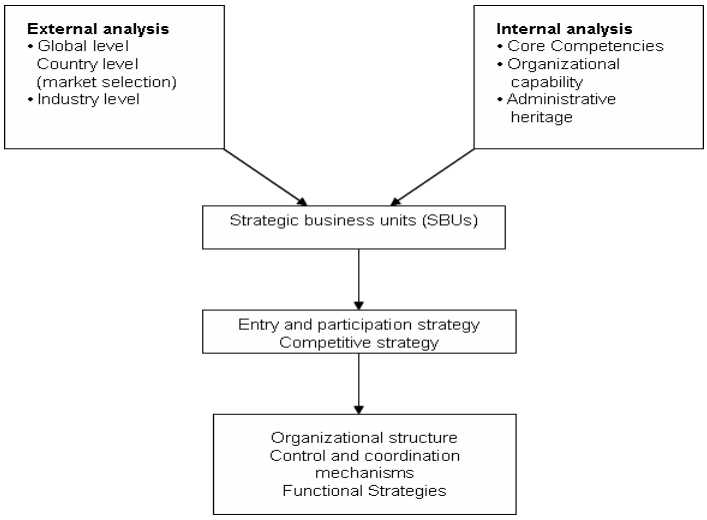


Figure 2.12. Strategic Planning in MNEs

From *International Human Resource Management: An Integrated Approach* by A. Harzing A., & J. V. Ruysseveldt, 1995, London: Sage Publications Ltd.

2.7.2.1 External Analysis

Global and industry level external analysis is explained according to the model crafted by Harzing and Ruysseveldt, 1995, 2004).

External Analysis at the Global Level

External analysis covers the analysis of the environment at the global (worldwide) level and industry level. In analyzing the environment on a worldwide scale, the fast increase in the internationalization of the world economy is one of the most important issues. Bartlett and Ghoshal (as cited in Harzing and Ruysseveldt, 2004) described three main models on a global level:

- The Multi-domestic Model (1920-1950)
- The International and Global Model (1950-1980)
- The Transnational Model (1980-?)

The Multi-domestic Model This model was popular during the period between two World Wars which led to a rise in nationalistic feelings. Countries were more protectionists; large national differences dominated the consumer preferences and there were high communication and logistical barriers. Such a circumstance was fine for national companies, but not for MNEs. For MNEs, due to the high tariff and logistical barriers, the strategy of centralized production in order to capture

economies of scale was impossible. MNEs set up a large number of foreign manufacturing subsidiaries in order to be able to compete with national companies. However, these subsidiaries were established as small plants producing only for the national market.

The firms in multi-domestic model, which is still evident in organizations today, give primary importance to national responsiveness. Products or services are differentiated to meet differing local demands. Organizational assets and decision-making are decentralized. In this model, there is an informal approach to coordinating and controlling foreign subsidiaries. Due to the differences in consumer preferences and barriers in high communication provided decentralization of decision-making and foreign subsidiaries were relatively independent of their headquarters. European companies dominated foreign investment is this period.

The International and Global Model- Demand boosted worldwide during the post-war years. Most European companies reconstructed their domestic operations. US companies developed new technologies and products, started exporting orders and making licensing agreements. Later they started making their products in manufacturing facilities in Western Europe and in developing countries. There was still some freedom on the part of local subsidiaries to adopt new products or strategies however coordination and control by headquarters is more important than in the multi-domestic model. Subsidiaries are dependent on the parent company for new products, processes or ideas. There were usually sophisticated management systems and specialist corporate staff to maintain overall control.

In the 1960s and 1970s, decline in the transportation costs and communication barriers and increase in new electronic technologies increased minimum efficient scale in many industries. Due to increased international travel and communication, homogeneous consumer preferences prevailed. Centralization and integration become profitable due to the standardized consumer needs in a global industry. Subsidiaries in this organizational model have much less freedom of action. Japanese companies due to their internationalization during this period achieved highest success by producing low-cost good quality products under tight central control.

The Transnational Model After the globalization wave, by the late 1970s some forces counteracted the globalization process. Flexible manufacturing, the use of software in certain industries –i.e. telecommunications, computers and consumer electronics— facilitated responding to consumers who were again asking for products tailored to their local needs. The fact here is that there is actually no reversal to the multi-domestic model but, companies have to pay attention to both *global integration and national responsiveness* at the same time. Therefore, the related strategies of such an organization must be very flexible. A transnational strategy would be deliberately planned strategy to have an 'adaptive', 'incremental', 'muddling through', or 'emergent' strategy. Bartlett and Ghoshal refer to an integrated network structure that links major sub-units of the company together. Assets, resources and capabilities are neither centralized nor completely decentralized.

External Analysis at the Industry Level

Porter (1986) has argued that the industry is a key component in setting international strategy and the winning or loss of competitive advantage takes place in the industry arena. He mentioned that scope of industries is along a continuum from multi-domestic to global. International strategies are developed depending on the scope of the industry.

A. Industry Types

Multi-domestic Industries Competition in one country is independent of competition in other countries. A multi-domestic industry is present in many countries (e.g., insurance industry in US, Germany, Spain) however; competition takes place on a country-by-country basis. The MNE in a multi-domestic industry transfers its know-how and practices from the parent home-base to the foreign countries in which its subsidiaries operate. Then the subsidiaries need to adapt these practices so that they can be implemented specific to the country's conditions. It is then the country that will determine the subsidiary's competitive advantage. Industries like retailing, branded packages products industry, i.e. food and laundry detergents, distribution, insurance, consumer finance and caustic chemicals are classical examples of multi-domestic industries.

Global Industries Global industries reside at the other end of the continuum. Porter (1986) has defined global industry as "…..an industry in which a firm's competitive position in one country is significantly affected by its position in other countries or vice versa." p.18. In contrast to the multi-domestic industries, in global industries competition in one country is dependent of competition in other countries. There is not a collection of domestic industries but a collection of linked domestic industries. Rivals compete with each other on a truly global basis. For instance, consumer electronics, commercial aircraft, TV sets, semiconductors, copiers, automobiles and watches are examples of global industries.

B. International Strategic Options

The distinction between multi-domestic and global industry is also profound in terms of the international strategies pursued (Porter, 1986). In addition; two more strategic options–international and transnational strategies- is provided below arising from the Bartlett and Ghoshal's Model of MNE organization.

Multi-domestic Strategy "National responsiveness" is the key for competitive advantage for companies pursuing a multi-domestic strategy. Therefore, different local demands and different governmental and market demands differentiate their products/services respectively. European MNEs traditionally followed this strategy (Bartlett and Ghoshal, as cited in Harzing and Ruysseveldt, 1995, 2004).

Porter (1986) has linked multi-domestic strategy with multi-domestic industries. Similar to the issue of 'national responsiveness', he argues that MNE subsidiaries act like autonomous businesses in the foreign country controlling important activities in the industry. The competitors in the industry will be national companies and MNEs with stand alone operations there. Therefore, the competitive conditions in the country will determine the firm's strategy. He calls the firm's international strategy as 'country-centered strategy'.

Global Strategy "Global integration or standardization" is the key for competitive advantage for companies pursuing a global strategy. These companies integrate and produce standardized products in an efficient way (in a cost-effective manner). All

value chain activities – i.e. procurement, in-bound logistics, and operations— are optimized on a worldwide scale (Bartlett and Ghoshal, as cited in Harzing and Ruysseveldt, 1995, 2004; Porter, 1986). Firms in global industries generally pursue increasingly coordinated strategies in order to compete worldwide. Japanese MNEs traditionally followed this strategy.

International Strategy "Development and diffusion of innovations" through research and development is the key for competitive advantage for companies pursuing an international strategy. Without *specifically* striving for the global standardization and efficiency or national responsiveness, these companies aim to develop new technologies in the home country and transfer and adapt them to foreign countries. Rather, an international strategy assumes *some* concern with both integration and responsiveness (Bartlett and Ghoshal, 1989).

Transnational Strategy "Global integration and national responsiveness" are the keys for competitive advantage for MNEs pursuing a transnational strategy. The strategy of these MNEs should be very flexible since there is no set strategy but each strategic decision depends on specific developments. In other words, a transnational strategy may be also termed as a "deliberately planned strategy". Although an MNE decides to pursue one of the strategic options, the fact that it operates in different countries obliges the MNE to take the country perspective into consideration. This is because the countries possess different social, cultural, political and economic diversities which can help or hinder the competitiveness and success of foreign subsidiaries (Bartlett and Ghoshal, 1989).

Internal Analysis

Corporate-specific resources and capabilities also predict performance as strong as industry characteristics. Collis (1991) has identified three important elements of the resource-based view which focuses on the idea that corporate resources can be used to develop distinctive advantages:

- **Core Competence** "A core competence (put forward by Prahalad and Hamel, 1990) is the entire system of distinctive tangible and intangible resources in which a corporation possesses advantages only if the corporation's own

combination of resources has something unique or is superior to the combination of their competitors, can the corporation be said to have an economically valuable core competence. p.35" (Harzing and Ruysseveldt, 1995). As the combination of resources in each company is different, companies specify product market positions that make best use of their core competence.

- **Organizational Capability** Organizational capability consisting of specific intangible resources –i.e. efficiency, effectiveness, flexibility, innovativeness—can be a source of sustainable competitive advantage. For instance, flexibility is an important capability as corporations may need to perform necessary adaptations to changing external environments.
- **Administrative Heritage** Administrative heritage is a great asset for corporations and can either take the form of intangibles (cultural factors) or tangibles (physical factors such as plant, office facilities, location). It may have an either facilitating or constraining influence on strategy.

2.8 Bartlett and Ghoshal's Typology of MNEs

The concern for maintaining the fit between strategy and organizational structure such as studies of Stopford and Wells (1972), Egelhoff (1988), which Harzing and Ruysseveldt (2004) call 'first-generation approaches' are replaced by 'second-generation approaches'—the concern for including variables additional to the 'structure' in order to implement strategic objectives. The complexity, flexibility and dynamism of the environmental demands force managers to consider issues beyond structural-strategic fit. Therefore, other variables are taken into account by second-generation models, an example of which is represented by Bartlett and Ghoshal's (1992b) description of the organization in terms of not just structural fit but organizational change and flexibility with respect to organization's procedures, systems and decision processes, culture and management values.

The shift from first-generation to second generation models is associated with different organizational structures. On the basis of Bartlett and Ghoshal's (1989) view, first generation models emphasize either being locally adaptive, integrative or innovative, second generation models should focus on all three as they operate in more dynamic and flexible environments and require maneuver alternatives for

change and flexibility. In Bartlett and Ghoshal's (1989) MNE typology, there are four types of organizational models- multinational, international, global and transnational- as shown in Figure 2.13.

Multinational, international and global organizational models had already been explained by previous researchers (e.g., Stopford and Wells, 1972; Porter, 1986). Bartlett and Ghoshal (as cited in Harzing and Ruysseveldt, 1995) have brought recent developments to the structuring of MNEs. They have described the same spectrum of industries and also added the **'transnational'** industry concept. Since, the three organizational models were provided in previous sections, only the transnational organization model will be explained below.

2.8.1 Transnational Organizational Model

The term 'transnational' has been used by Bartlett for companies which meet the demands of both national responsiveness and global integration/efficiency in a simultaneous fashion. The main features of the transnational organization are defined as follows (Bartlett and Ghoshal, 1989):

1. Many centers exist. Many different countries rather than one can possess competitive advantages at the same time. The competitive advantages can originate from new products, ideas, technology, etc. Each subsidiary is in an interdependent relationship to another.
2. Subsidiary managers are also given a strategic role. Subsidiary managers are given a strategic role both in their own operating companies and in the MNE.
3. Different degrees (high or low) of linkage between organizational units are observed. In a transnational model, different sections are managed either very tightly or very loosely. It varies by time and by the location and issue that the degree of freedom each subsidiary is allowed.
4. Integration is achieved through normative control that is corporate culture and style of management given the different countries, products and customers.
5. There is no priority preferred between the organizational structures such as organization by country or organizations by product groups. The important criterion for the selection is any competitive advantage the structure will provide.

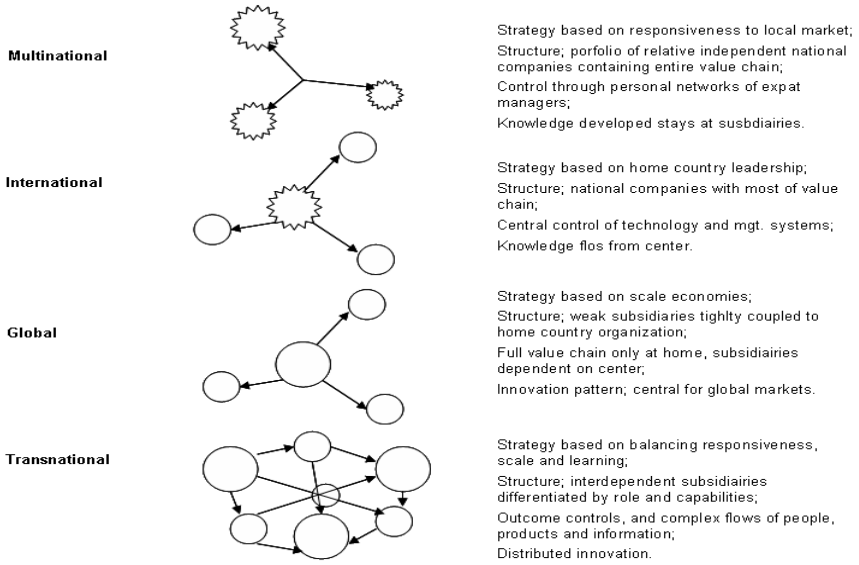


Figure 2.13. Bartlett and Ghoshal's Models of MNE Organization

From "The Multinational Enterprise as an Organization" by D. E. Westney, & S. Zaheer, 2001, *Oxford Handbook of International Business*, 349-379.

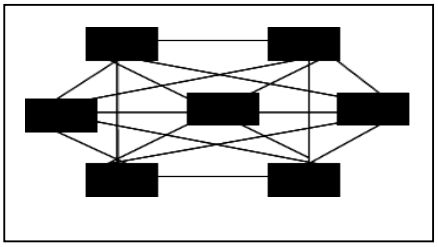


Figure 2.14. Integrated Network Model

From "The Multinational Enterprise as an Organization" by D. E. Westney, & S. Zaheer, 2001, *Oxford Handbook of International Business*, 349-379.

The transnational organizational model represents an ***interdependence*** of resources and responsibilities across all subsidiaries regardless of national boundaries rather than a simple relationship that takes place between the parent and subsidiary (Tayeb, 2005) (See Figure 2.15.). ***Interdependence*** refers to the degree to which different subsidiaries of an MNE are dependent on each other (Harzing, 2000). Three different interdependence levels exist:

- Independence: The subsidiary is not dependent on headquarters or other subsidiaries and operates 'stand alone'
- Dependence: The subsidiary is mainly dependent on headquarters.

- Interdependence: The subsidiary, headquarters and other subsidiaries all create part of an interdependent network Headquarters does not play a dominant role.

Flows of products and resources among subsidiary are so intensive in the transnational organization form that requires a complex process of coordination among different units. Subsidiaries act as strategic centers for certain products. Companies with transnational organizational model should provide simultaneous responses to diverse strategic needs of global integration, national responsiveness and knowledge transfer (Harzing and Ruysseveldt, 2004).

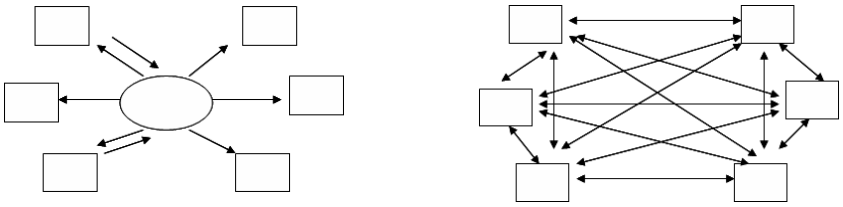


Figure 2.15. Parent-Subsidiary Relationship Subsidiary-Subsidiary Relationship

From *International Human Resource Management: A Multinational Company Perspective* by M. H.Tayeb, 2005, Oxford: Oxford University Press.

2.9 The Headquarters-Subsidiary Relationship in MNEs

There has been thorough research conducted in the area of on the foreign operations of multinational companies in different countries and how the subsidiaries follow the rules and instructions of the headquarters. The findings show that the headquarter-subsidiary relationship is both complex and dynamic. Subsidiaries in fact can be autonomous in executing their operations (Tayeb, 2005) and the subsidiary managers make strategic decisions and take initiatives that even may influence the headquarter and other subsidiaries (Rugman and Verbeke, 2005).

In this section, the objective is to analyze the relationship between headquarters and subsidiaries and the functioning of subsidiaries within the MNE network. The discussion will include the requirement to maintain the integration within the MNE and the need of the subsidiaries to locally adapt to the environment they function.

2.9.1 The Strategy Evolution at the Subsidiary Level

Two main frameworks of subsidiary strategies will be explained in this section. One refers to the James Taggart's Framework (1998) and the other to the framework of

Jarillo and Martinez (1990). The Bartlett's framework has taken the firm level as a center of analysis, whereas Porter's framework has focused on the industry level in analyzing strategic characteristics.

2.9.1.1 Jarillo and Martinez Framework of Subsidiary Strategies (1990)

Jarillo and Martinez (1990) have focused on Bartlett's framework (1986) of multinational organization types in analyzing subsidiary level strategies (see Figure 1.20). Bartlett (1986) has here discussed three different organization types with different strategies. A global strategy is based on centralized control of operations, standardized product design and global scale manufacturing. A multinational organization's strategy is based on differentiating its products to serve and satisfy national demands and tastes. A transnational strategy focuses on coordinating operations in all countries and maintaining both integration and responsiveness.

Figure 2.16. Different Types of Multinational Organizations

From *Building and managing the transnational: The new organizational challenge* by C. A. Bartlett, 1986, in Michael E. Porter (ed.), Competition in Global Industries, Boston, MA. (as cited in Jarillo and Martinez, 1990).

Jarillo and Martinez (1990) have used global integration-local responsiveness framework for analyzing strategy at the subsidiary level as explained below:

- **Receptive strategy:** If a low degree of global integration and high degree of local responsiveness exist, subsidiary has a receptive IHR strategy. This means, if the subsidiary is highly controlled from its MNE headquarters and integrated with its headquarters and the rest of the MNE, it has a receptive strategy. Subsidiaries of MNEs competing in global industries will pursue receptive strategy.

- **Autonomous strategy:** If a high degree of global integration and low degree of local responsiveness exist, subsidiary has an autonomous strategy. If the subsidiary carries most of its functions independent of the MNE headquarters, then subsidiary has an autonomous strategy. Subsidiaries of MNEs competing in 'multi-domestic' industries will pursue autonomous strategy.
- **Active strategy:** If a high degree of integration and low degree of responsiveness exists, then the subsidiary has an active strategy. If the subsidiary is both integrated to the rest of the organization and carries out its functions with some independence, it follows an active IHR strategy. Active strategy is typical for transnational firms' subsidiaries that are considered important within the network.

2.9.1.2 James Taggart's Framework of Subsidiary Strategies

While Jarillo and Martinez Framework focused on the model of Bartlett and Ghoshal (1989), James H. Taggart (1998) examined the strategy evolution process at the subsidiary level by using Porter's coordination-configuration (C-C) framework and made linkages between the C-C framework of strategy evolution and the I/R framework of Prahalad and Doz (1987).

According to Porter's (1986) coordination-configuration framework, four strategy prescriptions have been developed at the overall firm level: 'purest global strategy', 'high foreign investment strategy', 'country-centered strategy' and 'export-based strategy'.

The term of the concept of ***coordination*** has been found to be a strategic dimension from the previous studies carried out by many researchers (Taggart, 1998). Configuration (concentration of activities) has also been determined as an important factor of successful global strategy and determinant of subsidiary roles. As a result, Taggart has combined these findings and developed a C-C paradigm for MNE subsidiary strategies that overlap with the corporate strategies defined by Porter. The figure is presented and the subsidiary strategies are explained below.

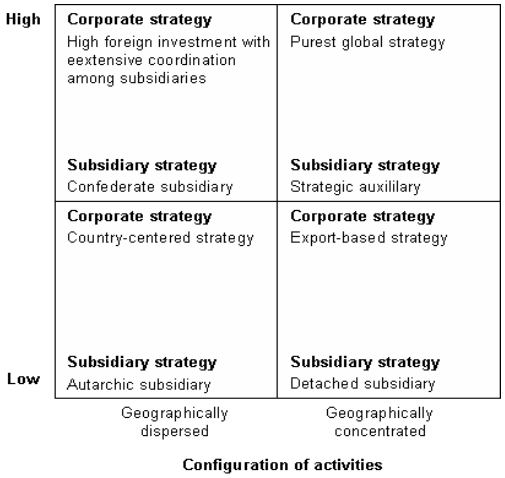


Figure 2.17. Coordination-Configuration Framework

From *Competition in Global Industries* by M. Porter, 1986, Boston, Massachusetts: Harvard Business School Press.

- **Strategic auxiliary:** Strategic auxiliary corresponds with Porter's purest global strategy. The subsidiary carrying out some value-chain activities should be highly focused and has fairly limited autonomy. Strategic auxiliary is the preferred end point of a large proportion of the sample.
- **Confederate subsidiary:** This type of subsidiary corresponds with an MNE with integrated network characteristics of high foreign investment strategy. It makes few decisions locally and but has a participative and responsive behavior. Confederate is the subsidiary type that has the highest level of integration, high market scope, more complex R&D.
- **Autarchic subsidiary:** Autarchic subsidiaries have more autonomy because of the lower levels of coordination and configuration and they perform many value-chain activities. This subsidiary corresponds to the country-centered strategy. Autarchic subsidiaries are found to turn into strategic auxiliary quadrant.
- **Detached subsidiary:** Export-based corporate strategy is performed in this quadrant. There are usually less manufacturing subsidiaries since they activities are export-based. There may be some marketing affiliates with little or no manufacturing. They serve existing customers in the local market. Only when the subsidiary is a part of a highly diversified MNE that monitors the subsidiaries little day-to-day, this type is referred to as the detached subsidiary. It may represent an initial market entry strategy. Detached subsidiary is a temporary phase; it may become strategic auxiliaries or autarchic quadrant.

2.9.2 The Subsidiary Strategic Roles and Resource Flows

As previous literature has depicted, there are three main resource flows within the network of subsidiary transactions (Gupta and Govindarajan, 1991, Bartlett and Ghoshal, 1989).

- **Capital flows** include investments into various subsidiaries
- **Product flows** include exports to and imports from different subsidiaries from and to other subsidiaries within the MNE
- **Knowledge flows** involve the transfer of skills, know-how and technology to and from different subsidiaries.

Common to all these resource flows, there are two important issues of globalization. The first is *the intensity* or in other words, *the extent of resource flows*. The more intense the resource flows, the higher is the degree of integration. The second is *the direction of resource flows.* The direction can be in the form of ***inflow*** *of resources* from the MNE network (rest of the corporation) to the subsidiary or in the form of ***outflow*** *of resources* from the subsidiary to the MNE network.

By taking the intensity and direction of resource (capital, product and knowledge) flows into consideration, below four generic subsidiary roles in terms of resource flow patterns is presented.

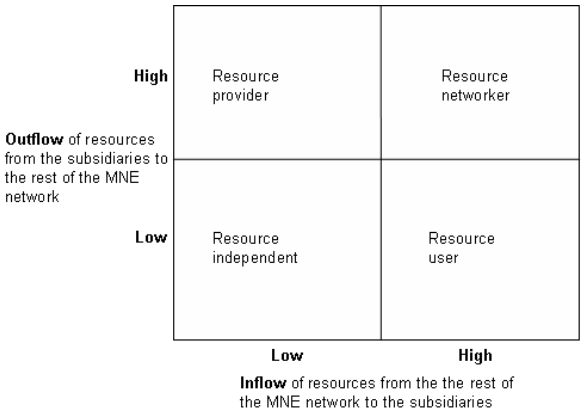


Figure 2.18. Alternative Subsidiary Roles Related to Different Resource Flows

From Global resource flows and MNE Network Integration by T. Randoy & J. Li, (1998). In Birkinshaw J. & Hood N. (Eds.), *Multinational Corporate Evolution and Subsidiary Development*, London: Macmillan Press Ltd.

The '*resource provider*' subsidiary fits in with an MNE that has a global or international strategy. The '*resource network*' role (high inflow, high outflow) refers to a typical position of a subsidiary within an MNE that has a *transnational* strategy. This role implies that the subsidiary provides resources that can be utilized by other subsidiaries within an MNE. The '*resource independent*' subsidiary corresponds to an MNE with a 'multi-domestic strategy'. These subsidiaries act more autonomously from the MNE headquarter carrying heavy responsibility for the creation of their resources. The '*resource user*' is the typical position of a subsidiary with an 'international strategy'.

Product Flows

Kobrin (1991) has focused on the product flows of MNEs. However, he is only concerned with the intensity or extent of product flows rather than the direction of product flows. Four subsidiary roles which correspond to the roles in Figure 2.18 above are identified. The *product provider* (high outflow, low inflow) subsidiary has an ownership advantage of raw materials or intermediate products and this advantage controlled the MNE. The *product networker* (high outflow, high inflow) fits in with the 'transnational' strategy of Bartlett and Ghoshal (1987). A product networker can be both the MNE headquarter as well as a divisional center. This type of subsidiary enjoys the both global integration and localization. The *independent subsidiary* (low outflow, low inflow) creates its own materials or intermediate products and therefore, is not really dependent on the MNE. The *product user* (low outflow, high inflow) subsidiary represents an MNE with a 'multi-domestic' strategy. The subsidiary engages in little innovation and focuses on raw material and intermediate product inflows from the MNE network.

Knowledge Flows

Gupta and Govindarajan (1991) focused on knowledge flow variations and identified 4 generic subsidiary roles which correspond to the roles in Figure 1.17 above. The ***global innovator*** (high outflow, low inflow) subsidiary is the main knowledge creator for the entire corporation. The ***integrated player*** (high outflow, high inflow) subsidiary also creates knowledge; however the integrated player and global innovator differ from each other in the sense that while global innovator is self-sufficient to provide all its knowledge needs, the integrated player is not self-

sufficient. The ***implementor*** role (low outflow, high inflow) usually achieves knowledge flows from the MNE network and rarely develops its knowledge. The ***Local innovator*** (low outflow, low inflow) subsidiary assumes all the responsibility to create its own know-how however this know-how is not really helpful for the rest of the corporation. This type of subsidiary represents an MNE with a 'multi-domestic' strategy.

Capital Flows

The flow or transfer of capital from the MNE headquarter to the foreign subsidiaries is critical in the definition of FDI. Related to the capital flows, four subsidiary roles are identified (Randoy and Li, 1998). The capital provider (high outflow, low inflow) subsidiary achieves profits and returns the invested capital. The capital networker (high outflow, high inflow) subsidiary both provides and uses extensive capital. The independent subsidiary (low outflow, low inflow) neither receives from the network nor provides capital to the network. The capital user (low outflow, high inflow) subsidiary represents the initial stages of the newly established subsidiary which have not yet reached a profitable level.

Related to each resource flows of capital, product and knowledge, subsidiary roles can be classified. The alternative roles for different resource flows provide a framework for identifying subsidiary strategy.

2.10 The Multinational as an Inter-organizational Network and Role of Subsidiaries in the Network MNE

Starting from the 1980s, studies regarding MNE and its subsidiaries have shifted from a one and only headquarter-subsidiary relationship based on hierarchical authority to coordination of managing a network of foreign subsidiaries based on flexible and interdependent relationships. These studies stem from the fact that MNEs today require more than hierarchical authority and as Porter (1986; p. 368) has put forward "serial structural organizational choices (e.g. product or geography based structures)" but rather an "organic organization with personal networks rather than formal relationships" (Forsgren and Pedersen, p.144; in Birkinshaw and Hood, 1998). Further more, Ghoshal and Bartlett (1990) has viewed MNEs as dispersed and

differentiated organizations to be able to respond to different geographic, business settings, and as having certain linkages and coordination mechanisms. They perceive these MNEs as inter-organizational groupings and provide a framework considering MNE as a network of inter-organizational relationships.

The term multinational network here refers to those relationships and linkages (communication channels, knowledge flows) that take place among subsidiaries within an MNE. In a multinational network, the relationship between headquarter and subsidiary is only one of the many relationships (Ensign, 1999). For instance, the subsidiary can establish connection with other subsidiaries in different counties and also with headquarters.

The keyword for the relationship in MNE is integration and coordination. Integration is defined as (Prahalad and Doz, 1987) "the centralized management of geographically dispersed activities on an on-going basis." p.14. An example of integration can be organizing and managing a world-wide flow of products, information and knowledge flows across subsidiaries in different countries. Coordination refers to strategically managing the resource commitments across subsidiaries and prioritizing them. The main objective is to build competitive advantage.

Besides, some authors mainly, (e.g. Ghoshal and Bartlett, 1990) have conceptualized the network MNE in a different manner. They argue that in a market there are different actors such as competitors, suppliers, customers, regulators, distributors, etc. that engage in exchange relationships with firms and control business activities. These activity chains make up an ***external network***. They also define "all relationships and linkages that exist among the different units of the MNE" as ***multinational network***. The authors develop the framework that considers MNE as an inter-organizational network of relationships that take place not only in the multinational network and but also in the external network.

Forsgren and Pedersen (1998; in Birkinshaw and Hood) have also supported this view. They mention that by this framework, not only the subsidiary itself but also the characteristics specific to the business network will shape the role of the subsidiary.

The focus of Forsgren and Pedersen (1998) has been different in the sense that only the relationships that relate to business activities are conceptualized by these authors; however Ghoshal and Bartlett (1990) have also focused on the power of the headquarters and regulations, administrative and legal links.

2.11 Control and Coordination Mechanisms in MNEs

MNEs are complex organizations especially due to their geographically dispersed operations and management of thousands of employees worldwide. Given that MNEs with their subsidiaries increase in size and scope, many try to ensure the effective level of control mechanisms in their subsidiaries. These pressures lead MNEs to reevaluate their control and coordination mechanisms.

2.11.1 The Notion of Control and Coordination

The definition of ***'management control'*** has been given by Child (as cited in Ferner, 2000) as a process whereby management and other groups are able to initiate and regulate the conduct of activities so that their results are line with the goals and expectations held by those groups. The notion of control in organizational environment is a mechanism to transmit information so that employees and business activities are managed in order and with coordination.

Prahalad and Doz (1981) have provided a definition for strategic control within MNEs as "the extent of influence that a head office has over a subsidiary concerning decisions that affect subsidiary strategy." p.5. The strategic decisions the authors have considered are choice of technology, allocation of resources, differentiating product lines, expansion, and diversification of subsidiary operations.

Basically, there are three modes of control that are exercised by the organizations. These are 'bureaucratic', 'personal' and 'social' or 'cultural' modes of control (Ferner, 2000). Beechler (1992) opposed with approaches which categorize organizations as either bureaucracies or clans and argues about process controls in organizations. Pucik and Katz (1986) explained the modes of control within the context of MNEs.

Bureaucratic control includes a set of defined and formal rules and procedures. The delegation of tasks is done formally within a centrally-determined system and the degree of compliance is monitored by the organization. The high level of compliance is ensured through formal and standardized reward and punishment methods. *Personal control*, on the other hand, is another alternative to control by rules. Personal control is based on face-to-face contact and direct supervision of employees by their supervisors. *Social or cultural control* refers to the internalization of values and objectives of the organization. The objective is to ensure employees legitimately accept and willingly accommodate with managerial issues.

The term ***coordination*** has been explained in various ways by different authors and researchers such that coordination is "the mutual harmonization between the individual subsidiaries and the corporate headquarters of a Multinational." (Launer, 2005). Coordination refers to a mechanism taking place in geographically dispersed locations in MNEs where communication of information and data takes place in order to synchronize management decisions and actions (Finnegan and Longaigh, 2002). Launer (2005) stated the coordination is theoretically described with 3 mechanisms:

- **Centralization of Decision-Making:** Centralization is the act of consolidating power under a central authority. Centralization can also be used interchangeable with autonomy. It is the place where final decisions are made or decision-making is hierarchically organized.
- **Formalization of Policies and Systems:** Formalization is the act of making policies and systems official and legitimate. The organizational policies and systems are set as fixed and impersonal which should be compiled by the members as pre-set procedures.
- **Normative Integration and Socialization of Employees:** Socialization or normative integration is the process by which employees learns and internalizes the behaviors that others expect of them as values and objectives through informal and personal coordination. The objective is to ensure that all employees strive towards the same goals and shared values.

2.11.2 The Distinction between Control and Coordination

Finnegan and Longaigh (2002) differentiated between the two concepts (See Table 2.3). In the context of MNEs, there is a need for control of the subsidiaries within the MNE. Coordination is necessary here for balancing the dual pressures coming from global integration and local responsiveness. They used the word 'pan-national corporations' for encompassing all terms used for multinational corporations.

Table 2.3. The Distinction between Control and Coordination

Properties	Control	Coordination
Characterized by	Direct intervention	Situating the subsidiary in a network of responsibilities to other parts of the firm
Time horizon	Short term	Long term
Cost	High	Medium
Amount of communication required	High	Medium
Practices involved	Headquarters-Subsidiaries	Subsidiaries-Subsidiaries Subsidiaries-Headquarters

From "Examining the effects of information technology on control and coordination relationships: An exploratory study in subsidiaries of pan-national corporations", by P. Finnegan, & S. N. Longaigh, 2002, *Journal of Information Technology*, 17, 149-163.

Table 2.4. The Need for Control and Coordination in Pan-National Corporations

Pan-national corporation operating conditions	Pan-national corporation environmental factors
Numerous product lines being produced by complex processes	Increases global competition
Dispersed or concentrated value chain activities, with subsidiaries usually focusing on parts of the value chain	Geographical dispersion, linguistic differences and cultural diversity, which may shape subsidiary managers' decisions
The agency problem of balancing pan-national corporation interests with subsidiary interests	Various host governments, inflicting different pressures
Subsidiary unaware or unwilling to follow corporate objectives	Instability of the international financial system
Need to minimize the desired duplication and overlap	The need to be locally responsive and globally competitive
Incongruent mindsets in relation to work and expectations	Need to be responsive to shifting comparative advantage
Need to have continual rapid learning throughout the corporation applied to dispersed activities	

From "Examining the effects of information technology on control and coordination relationships: An exploratory study in subsidiaries of pan-national corporations", by P. Finnegan, & S. N. Longaigh, 2002, *Journal of Information Technology*, 17, 149-163.

2.11.3 Strategic Control and Implications for Subsidiaries

MNEs operating in geographically dispersed regions around the world have an important responsibility in terms of strategically controlling and also coordinating their subsidiaries. MNEs also need to coordinate the transfer of resources such as

know-how, product, capital, technology and personnel. All these highly complex activities require an effective mechanism of control. It is also crucial to identify when control should occur and what is the type of the control used in a circumstance.

Ferner (2000) mentions that the contingent features such as size, age, sector and subsidiary roles have affects on exercising control. With respect to size, this argument has also been put forward previously by Prahalad and Doz (1981). They have argued that as subsidiaries grow in size, they become more autonomous with respect to strategic resources such as management talent and R&D investment, technology and develop their own overseas activities such as marketing products outside the national boundaries of the subsidiary. As a result, the headquarters loses its power over the subsidiary in terms of controlling it. On the contrary, Beechler (1992), in his study with Japanese MNEs has found that virtually no relationship exists between size and the use of rules and pure normative mechanisms. However, as the size of the organization grows the use of direct control decreases.

The factors to determine which mode of control will be practiced in organizations are various. Some organizations take a 'strategic contingency' perspective and select different control forms according to the circumstances they come across (Ferner, 2000). Features of size, age, sector and subsidiary roles have also influence on the forms of control used. Ferner has also analyzed the work of Bartlett and Ghoshal (1989) and admitted the role of the level of resources in subsidiaries and the importance of local environment in selecting a control pattern. The more strategically importance and resourcefully rich the subsidiary is, the less is it managed by formal, bureaucratic systems.

A couple of recent studies have also found that a hierarchical and bureaucratic system taken by MNE headquarters to control subsidiaries has been replaced with 'network based inter-organizational operations and less formalized and more socialized control patterns (Jakobsen and Rusten, 2003; Ferner, 2000).

CHAPTER III

3 IHRM in MNEs across Borders: Major Influences

Human resource management (HRM) has rapidly gained more value as world of business focuses on the complexities of managing in and across borders and achieving overall corporate performance. As organizations enter new markets beyond national boundaries in line with an increasing global economy, and become MNEs, an important need appears for organizations to understand how to manage their human resources (HR) that are located in different host environments. The employment of people from different cultures, with different national characteristics has already brought the need to effectively manage international human resource management (IHRM).

3.1 The Conceptual Framework of HRM and IHRM

To give a few definitions of HRM or domestic HRM in point, Dessler (2003) has stated "the personnel management or (as it is usually called today) the human resource management is the process of acquiring, training, appraising and compensating employees, and attending to their labor relations, health and safety, and fairness concerns." p. 2. Gronhaug and Nordhaug (1992) have defined HRM as "… an intentional or purposeful behavior that takes place within an organizational context." p.2. Dowling et. al. (1999) has written that HRM includes all the activities undertaken by an organization to get the best out of its employees.

Paauwe (1991) has mentioned that form and content of HRM is found in the environment and organizational structure of the specific enterprise. He has defined the terms 'environment', 'organizational structure' and 'human resource management' as the following:

'Environment': This is the environment constituted by configurations of economic, technological and social-political factors.
'Organizational structure': Organizational characteristics which together shape the structure of an organization tend to cluster in specific ways.
'Human resource management': HRM refers to a collection of employment and personnel practices and activities and their implementation.

While Paauwe (1991) crafted a definition of HRM with the aim of not limiting the area just to personnel management activities but full coverage of personnel activities as a part of general management, a connection between corporate strategy and HRM was not made in the definition.

HRM is categorized into 5 areas: human resource planning, recruitment and selection, performance management, training and development, compensation and benefits and labor relations. Human resource planning is the process of deciding what positions the firm will fill in the future and how these positions will be filled. It is the process of forecasting personnel needs. Recruitment and selection is the process of internal and external search and evaluation and hiring of candidates for required vacant positions. Performance management refers to evaluating employee's current or past performance against previously set management of performance appraisal. Training and development refers to the methods used to present employees the skills they need to perform their jobs. Compensation and benefits includes all forms of pay or rewards presented to employees arising from their employment. The functioning of these tasks within only one national border is called as *HRM or domestic HRM* (Briscoe and Schuler, 2004).

IHRM has many similarities with domestic HRM. International HRM includes the same HR functions as domestic HRM however it has a number of additional functions and involves a broader perspective. As organizations enter new markets beyond national boundaries in line with an increasing global economy, and become MNEs, an important need appears for organizations to understand how to manage their HR that are located in different host environments. The employment of people from different cultures, with different national characteristics brings forward the need to effectively manage international HRM.

Shen (2005; p.83) has defined IHRM as "…. a set of distinct activities, functions and processes that are directed in attracting, developing and maintaining the HR of a multinational enterprise (MNE)." Taylor and Beechler (1996) have put forward a parallel definition for an MNE's IHRM system. As Gronhaug and Nordhaug (1992) mention the term "international" refers to a "spatial distance" or "movement across national borders". This makes IHRM more complex than domestic HRM in the sense that there are more HR activities, more involvement in employees' personal lives, more external influences, and workforce diversity where expatriates and locals work together (Dowling, et. al., 1999). They have argued that operating in a foreign environment brings high degrees of uncertainty because of cultural, socio-economic, institutional and political differences. This leads to difficulties or challenges in managing external actors such as customers, competitors or suppliers, specifying and allocating jobs and tasks; designing work systems, managing labor relations, designing compensation and work systems, deciding on expected performance levels. IHRM becomes highly important in managing international operations and is recognized as a major determinant of success or failure in international business.

Tayeb (2005) has argued that the global companies operate within both an internal organizational environment and external national and international context. Thus, activities of corporations across national borders are also associated with high degrees of complexity and uncertainty due to the cultural, socioeconomic, institutional and political differences (Gronhaug & Nordhaug, 1992). Dowling (cited in Dowling et. al., 1999) has listed six main factors that differentiate international from domestic HRM:

- More HR activities and the need for a broader perspective
- More involvement in employees' personal lives
- Changes in emphasis as the workforce mix of expatriates and locals varies,
- Risk exposure and more external influences

3.2 Going Multinational and Implications of IHRM

Rapid increase in global activity and global competition led to the increase in MNEs in number and influence which therefore contributed to the role of HRM in a significant manner (Scullion, as cited in Tayeb, 2005) as these enterprises definitely

need to find and develop the required skills, knowledge and experience which will enable them to succeed in this global competitive environment (Briscoe and Schuler, 2004). Therefore, one of the most important factors that foster the success of the company is its workforce and overall human resource policies since because they create competitive advantage for the MNEs (Verbung, Drenth, Koopman, Muijen and Wang, 1999).

Once a company goes international, the HRM policies and practices it should adopt in a foreign country depend on the stage of internationalization and the extent and depth of the company's involvement in the local market (Tayeb, 2005). When a company engages in importing, exporting, franchising, licensing, employee management is not really significant there as part of a foreign operation in the host country. Lorange (as cited in Welch and Luostarinen, 1988) has mentioned that the human resource function is particularly critical when companies become wholly-owned subsidiaries or joint ventures as they will be directly managing those local people or even other nationals as its employees. The implications of international HRM with developing stages of internationalization are explained below:

- **Exporting:** The involvement of HR department at this stage is rather unclear and if any, limited as some of the HR related activities – i.e. selection of export personnel, training of the foreign agency staff— is run by the export or marketing department. HR Department may not develop policies and procedures about the HR aspects of the firm's international activities (Dowling et. al., 1999).
- **Sales Subsidiary:** The firm may either make a decision to maintain direct control on the sales subsidiary and staff the subsidiary from parent-country nationals (PCNs) or may consider local factors and loosing some control on the sales subsidiary and staff it with host-country nationals (HCNs). The general orientation about this decision is to staff PCNs which leads to expatriate management in the sales subsidiary. Though HR department may now be involved in some personnel aspects of the firm's international operations, it may still be not clearly defined.
- **Licensing and Franchising:** From the perspective of HRM, it is required to look at the extent to which the collaboration requires interaction among people (managers, workers or both.) A licensing involves less interaction among people

than does a joint venture or direct investment (Cascio, Manuel and Serapio, 1991).

- **Strategic Alliances and Joint Ventures:** With respect to HRM implications, international joint ventures suggest heavier involvement in HR issues than a licensing or franchising (Cascio et. al., 1991). Similarly Dowling et. al. (1999) has argued that as the firm expands into other countries, more formal HR policies are required. It is important that parties address HR issues proactively before forming an alliance. Cascio et. al. (1991) have asserted that parties in the venture should invest effort to harmonize people from different organizational and national cultures in order to build trust, commitment and understand each other's operations. The main issues that management and HR should address are the need to establish recruitment and staffing policies to reduce misunderstandings, to train new hires and current employees for adjusting them to the new situation, clarify objectives for an effective and objective performance appraisal and to establish a uniform compensation policy for avoiding feelings of inequity.
- **Foreign Direct Investment:** At this stage, the MNE may adapt its HRM activities to each host country's specific requirements by delegating responsibilities for local employee decisions to each subsidiary. On the other hand, HR team in corporate headquarters may perform a strict monitoring role and interferes in local affairs only in extreme circumstances. By this monitoring role, HRM centrally controls strategic planning process. This typically shows the tension between the parent company (headquarters) and its subsidiaries where the headquarter tries not to lose control and the subsidiary looks for more independence.

3.3 Strategic International Human Resource Management

Before analyzing and differentiating between IHRM and strategic international human resource management (SIHRM) within the "international" context, it is vital to explain the distinction between traditional HRM and strategic human resource management (SHRM). Additional to the definition of HRM, the main concern of SHRM is to ensure that HRM is integrated into strategic planning. Wright and McMahan (1992) have stated definition of SHRM as "the pattern of planned human

resource deployments and activities intended to enable an organization to achieve its goals" and distinguish strategic HRM from traditional HRM in two distinct ways:

1. The HRM practices are linked with the strategic management process of the organization.
2. SHRM enables the coordination among various HRM practices.

So, SHRM assumes a macro and more critical role and function in the larger organization. Therefore, SHRM requires that all HRM practices are planned and implemented with respect to business strategies of the organization.

Enclosing the "international" dimension to this distinction, SIHRM is concerned with multinational companies and acts within an internationally broader context. Parallel to Wright and McMahan's (1992) definition of SHRM, Schuler et al. (1993) have defined SIHRM as: "human resource management issues, functions and policies and practices that result from the strategic activities of MNEs and that impact the international concerns and goals of those enterprises." p. 422.

Schuler et al. (1992) have discussed about two main strategic dimensions that SIHRM is heavily concerned with and influenced by. One has been related to the inter-unit linkages. Accordingly, as MNEs operate as units or subsidiaries in various countries, there is a high need to manage, coordinate and control these units. How each unit is to be controlled, integrated or differentiated is of strategic importance for MNEs and the decision about whether to differentiate or to integrate the units is strategic for MNEs. Schuler et al. (1992) have also asserted that the matter of integration or differentiation of the MNEs units is also an important and challenging issue for SIHRM as it relates to controlling and managing the whole set of people working in different units and in different national settings. What is critical here is to ensure high performance results from all units so as to produce successful business results. Still different constraints exist that influence the performance of MNEs. Units or subsidiaries of an MNE may operate in business environments with different levels of economic and political volatility; the physical distance and time-zone differences may complicate the communication frequency or there may be wide differences in legal contexts such as local labor laws. Therefore, the decision about whether to differentiate or to integrate the units or subsidiaries is also strategic for

SIHRM. The second strategic dimension refers to internal operations. Each unit or each subsidiary operates within a local environment and subject to specific local laws, politics, culture and economics. These issues regarding internal operations of the units are strategic for MNEs. As it has an influence on the performance of MNEs. SIHRM is also influenced significantly by varying internal operations.

Since the business needs have been becoming more strategic and international, the field of HRM gives hand to the field of SIHRM. As MNEs grow in the global arena, HRM must develop its strategies to hire, manage, train and retain the best employees throughout the organization in line with organizational goals.

3.4 Models of SIHRM and MNE Implications

Recent models of SIHRM have been provided with a macro perspective and emphasized the SIHRM system as a way for MNEs to effectively manage and control their operations across borders (Taylor et. al., 1996). Examining the current literature starting from 1990s to recent times, some models have taken a contingency perspective and have focused on the link between SIHRM and the phases of internationalization or emphasized the requirement of fit between the goals of the firm and related HRM policies(Adler and Ghadar, 1990; Milliman et al., 1991), while some have based their models on the framework of Prahalad and Doz (1987) focusing on the pressures between global integration and local differentiation (Schuler et al., 1993). There are also some authors (e.g., De Cieri and Dowling, 1999) who have developed the SIHRM model based on dual pressures. These recent authors took a strategic perspective and focused on strategic international HRM based on the thinking that it will help MNEs effectively manage and control their overseas operations. Each of these SIHRM models taking a different perspective will be examined in detail below. Five SIHRM models will be presented in the ascending order of the year they were developed:

3.4.1 Adler and Ghadar's Phases of Internationalization (1990)

Adler and Ghadar's Model (as cited in Harzing and Ruysseveldt, 2004) can be traced back to Vernon's life cycle theory in 1966 where he explains about internationalization phases from a product life cycle perspective. Accordingly, there are three main phases:

- First phase ('high tech') – Research and development plays an important role for the firm.
- Second phase ('growth and internationalization) – Market development and penetration both at home and abroad are important.
- Third phase ('maturity') – Having penetrated into the markets, the firm takes cost control measures in order to lower prices.

An important change between those years and today is that, the average product life cycle is no more10-20 years but can be as short as 6 months to 1 year. (Adler and Ghadar, as cited in Harzing and Ruysseveldt, 2004). Therefore, a fourth phase has been suggested by Adler and Ghadar, who called differentiation and integration for penetrating and serving different markets and achieving cost control respectively. Differentiation requires that two issues have to be taken into consideration by firms. First, cultural aspects of different markets and customers; different tastes, preferences of individual markets should be understood and acted upon accordingly. Second, with respect to adaptation of the product and business methods to local markets necessitate more sensitive and understanding company personnel and managers about local circumstances and cross-cultural adaptability. Therefore, HRM also become one of the main focuses of attention.

Having introduced this fourth phase of differentiation, Adler and Ghadar have linked Vernon's model to culture and HRM. They have argued that the influence of cultural issue of a country or market and the necessary HRM policies and instruments differentiates as the firm goes through the following phases:

- **Phase I (Domestic):** The firm at this stage focuses on home market and some exporting. Therefore, the influence of foreign cultures is ignored and there is almost no manifestation of international HRM.

- **Phase II (International):** The firm pursues a polycentric perspective emphasizing differentiation and local responsiveness. Therefore, the cultural differences, tastes, needs, preferences of each foreign market should be highly dealt with. In such a case, production, marketing and sales operations are usually conducted in the host country. Good management of the subsidiary in the host country, financial control, technical expertise and cross-cultural sensitivity make international HRM much more important.
- **Phase III (Multinational):** The firm here focuses on global strategy, low cost and price competition. Cultural sensitivity is not as much as in Phase II but still develops due to the cultural diversity. Since the firm acts internationally, recruiting and developing a management team in which all members share the same organizational values and norms even though the firm operates in different geographical markets is one of the most crucial tasks of HRM
- **Phase IV (Global):** The firm focuses on both local responsiveness and global integration. The 'high quality' issue is the main success factor which is expressed in the firm's ability to adapt their products to different needs, wants and tastes in different markets. In the phase the success of international HRM depends on its recognizing, rewarding and offering successful and talented managers the opportunity to grow and prosper throughout the organization.

3.4.2 Taylor, Beechler and Schon's Model of SIHRM

Taylor, Beechler and Schon (1996) have built their model on the resource-based theory of the firm (e.g., Barney, 1991, Conner, 1991, Wernerfelt, 1984, Penrose, 1959; as cited in Taylor et al., 1996) and on the resource dependence theory (Pfeffer and Salancik, 1978).

Lado and Wilson (as cited in Taylor et al., 1996) have defined how the resource-based theory can be integrated into HRM as: "The resource-based view suggests that human resource systems can contribute to sustained competitive advantage through facilitating the development of competencies that are firm specific, produce complex social relationships, are embedded in a firm's history and culture and generate tacit organizational knowledge" p. 699. HRM competence is made up of both tangible (e.g. HR planning system, international sales training programs, selection tests,

performance appraisal criteria) and intangible resources (e.g. shared mindset, ability to attract qualified employees to work for the firm).

According to the model, the resources are differentiated into three levels within the MNE. The first is at the *national level* and includes the parent company's national resources— in terms of economic, cultural, human and others- arising from the country and these resources provide the MNE with an advantage when it competes with other competitors outside its home country. The second level of resources is at the *parent company level* and includes all the tangible and intangible assets that the MNE has developed over its lifetime. According to Taylor et al. (1996), these two levels of resources at the national and parent company level overlap with the Bartlett and Ghoshal's (1989) term of administrative heritage. The third level of resources is at the *affiliate level* which can provide an advantage for the MNE at the local, global or regional level.

It is important to highlight that these resources can be useful at one location or may be effective across countries. According to the reach of the usefulness of the resources including HRM competence, they can be either context-specific or context-generalizable.

In this model, the authors have made a three interrelated levels of analysis for the SIHRM system: *the parent company, the subsidiary, and individual groups of employees within the subsidiary* (See Figure 3.1).

a. Parent Company Level: Two main aspects are the focus: the parent company's SIHRM orientation and the parent company's SIHRM functional focus. The former refers to the three general approaches – adaptive, exportive, and integrative – taken by top management towards the HRM system applied in subsidiaries. The latter refers to the functional aspects such as selection techniques, performance appraisal methods or compensation schemes of the parent company directly influencing the worldwide subsidiaries' HRM systems. MNEs with an adaptive SIHRM orientation create HRM systems for subsidiaries where differentiation is emphasized and where low internal consistency with the parent MNE and high external consistency with the local environment. Conversely, MNEs with an exportive orientation, prefers a

wholesale transfer of the headquarters' HRM system to their subsidiaries. This shows high internal consistency but low external consistency. Finally, MNEs with an integrative orientation focus on both high internal consistency with the rest of the MNE and also some degree of external consistency with the local environment.

The authors have tied the SIHRM orientation decision of the MNE with the firm's international strategy. They have suggested that when the MNE has context generalizable HR competence, then it decides to transfer the HRM system across subsidiaries. Two generic MNE strategies are proposed: Multi-domestic and Global. A multi-domestic strategy is the one, in which HRM competence is context-specific and local market demands a high degree of adaptation whereas a global strategy is one, in which HRM competence is context generalizable and high levels of coordination and control of activities are required to maintain resource exchanges among the subsidiary units. Therefore, it is predicted that MNEs following a global strategy will adopt an integrative SIHRM orientation and MNE following a multi-domestic strategy will adopt an adaptive SIHRM orientation.

Another factor that is considered pivotal at parent level is the role of top management in identifying whether the HRM competence is context specific or context generalizable. So, the international experience of top management team at headquarters is critical determinant of the transfer of an HRM system.

b. The Subsidiary Level: One influence on the subsidiary HRM system is the degree to which the HRM system is similar to that of the parent company. In MNE following an exportive SIHRM orientation, the highest degree of similarity is proposed to be found between the parent company's HRM system and the subsidiary's HRM system. The reverse situation is proposed for MNEs following an adaptive SIHRM orientation.

Other influences on the subsidiary HRM system is based on the resource dependence theory, and on the host country's environment. According to the former, when the MNE headquarters can not supply necessary resources from its own and relies on the foreign subsidiaries' resources, the parent country will exercise more control over the subsidiary. According to the latter, it is proposed that the greater the cultural distance

and legal distance between the host country of the subsidiary and the headquarters of the MNE, the less similarity between headquarters' HRM system and that of subsidiary.

c. Subsidiary Employee Group Level: Based on the resource dependence theory, the authors suggest that particular employees may possess specialized skills and knowledge and to the extent that knowledge is context specific, the MNEs will want to exercise more control over that subsidiary and these employees through transferring SIHRM system across borders. As a result, when there are employees who are critical for the subsidiary's strategic role then the similarity between parent company and subsidiary in terms of HRM system will be higher. This model tries to present a theoretical guideline for further empirical research related to the international HRM. The emphasis of the model also rests on the fact that by taking on resource-based view and resource-dependence perspective, many important determinants of SIHRM systems in MNEs are proposed.

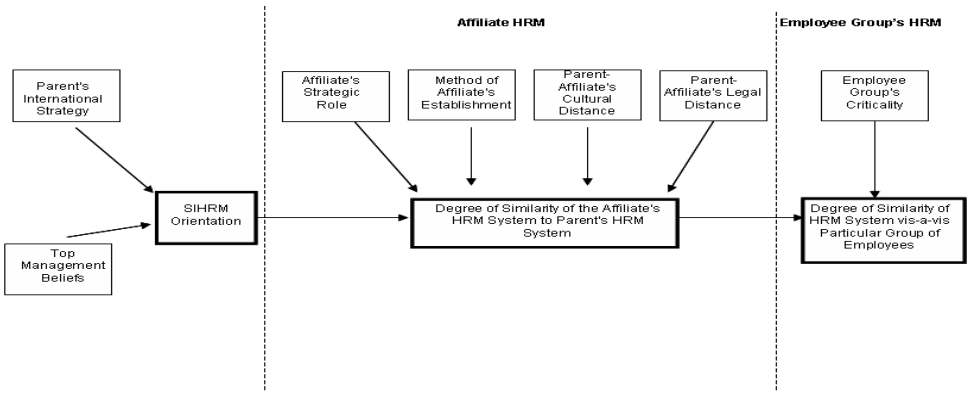


Figure 3.1. Model of SIHRM

From "Toward an integrative model of strategic international human resource management" by B. A., Taylor, S., Beechler, S. & N. N. Schon, 1996, *Academy of Management Review*, 21(4), 959-985.

3.4.3 De Cieri and Dowling Model of Strategic IHRM

De Cieri and Dowling (as cited in Harzing and Ruysseveldt, 2004) have proposed an integrative framework of strategic HRM in MNEs, which is actually a revised framework of Schuler et. al. (1993). Here, they focus on the fact that the pressure between global integration and local responsiveness is the fundamental issue that researchers of SIHRM must address. They utilize the work of Prahalad and Doz (1987) and Bartlett and Ghoshal (1989).

De Cieri and Dowling have focused in this framework on the endogenous and exogenous factors that influence the international HR in MNEs (Figure 3.2). Exogenous factors include industry characteristics, country-regional characteristics and inter-organizational networks. For instance, the removal of internal trade barriers and the integration of national barriers in EU created a new inter-organizational relationship. Endogenous factors involve MNE structure, MNE strategy in general. Exogenous factors directly influence endogenous factors, HRM strategy and multinational goals.

Within the endogenous factors, multinational structure refers to international operations' structure, intra-organizational networks, and coordination mechanisms. The industry of the firm and its life cycle stage influence SHRM in MNEs. In addition, international entry modes and corporate-level and business-level strategy have influences on SHRM. De Cieri and Dowling argue experience in managing international operations and headquarters' international orientation as the most intangible endogenous factors. They argue that reciprocal relationships exist between endogenous factors, SHRM and multinational concerns and goals.

This framework contributes to generating ideas for developing theory and empirical research in strategic HRM in MNEs. It also helps draw on new theoretical developments in HRM and strategic management.

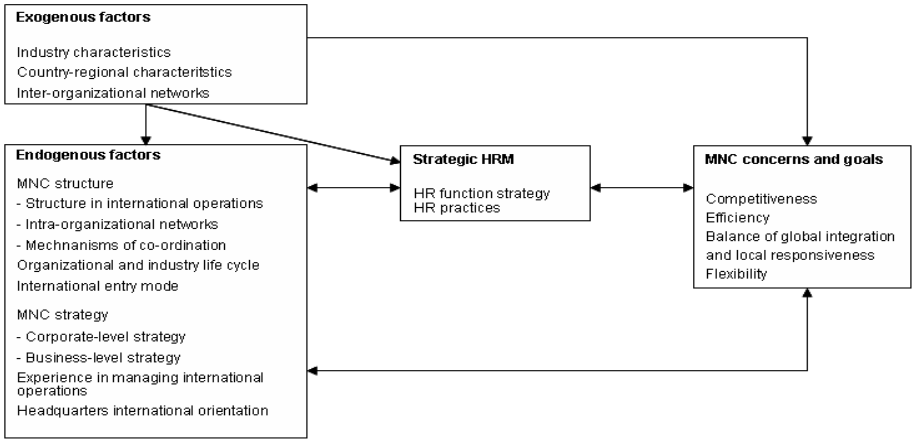


Figure 3.2. Integrative Framework of Strategic HRM in Multinational Enterprises

From "An Empirical Analysis and Extension of the Bartlett and Ghoshal Typology of Multinational Companies" by A. Harzing, 2000, *Journal of International Business Studies*, 31(1), 101-120.

3.4.4 Perlmutter's Model and IHRM Implications in MNEs

The three approaches taken by international executives in MNEs as an overall orientation for executing their management practices will also have implications for international HRM activities. These approaches defined by Perlmutter (cited in Dowling, et. al., 1999; Harzing and Ruysseveldt, 2004; Heenan and Perlmutter, 1979) in explained below. Table 3.1 summarizes organizational implications of these headquarters' orientations.

3.4.4.1 Ethnocentric Approach

MNEs taking ethnocentric approach have a '*home-country oriented*' top management and international executives. Control mechanisms are convened and strategic decisions are made at headquarters. Usually headquarters' management personnel occupy key positions at the domestic and foreign operations. Parent-country nationals (PCNs) manage top management positions both at headquarters and in the subsidiaries.

The implications for HRM activities are therefore recruiting and training parent-country nationals for important positions. Once PCNs decide about the working methods, culture, evaluation criteria, etc., all subsidiaries comply with these principles. Corporate headquarters assume a role of delivering assignments and providing advice to subsidiaries and lines of communication are one-directional. Therefore, the subsidiary usually plays an operational role rather than strategic role.

Enthnocentrism refers to an attitude for allocating home-country people in key positions all around the world countries in which the MNE has subsidiaries. MNEs with this orientation have the board and top management in the headquarters and they pursue a '*home-country oriented*' perspective. Control mechanisms are convened and strategic decisions are made at headquarters. The managers are not used to and rather resistant to different attitudes, cultures and ways of doing business but their own.

3.4.4.2 Polycentric Approach

MNEs pursuing polycentric approach have a '*host-country oriented*' top management and international executives. Headquarters recognize that there are differences between countries and each subsidiary in different countries is treated as a distinct national entity. They are given some form of decision-making autonomy.

HRM approach of these MNEs is based on the view that values, norms and customs vary from one country to another and subsidiaries are usually managed by host-country managers/nationals (HCNs). These HCNs have the opportunity to promote to higher levels within the subsidiary only, but they are not considered for positions at headquarters. In polycentrism, top management and international executive of headquarters pursue a "*host-country oriented*" perspective. Headquarters recognize that there are cultural, social, behavioral, economic and political differences between countries and each subsidiary in different countries is treated as a distinct national entity. All key positions in local subsidiaries are occupied by local nationals who are given quite high, if not absolute, form of decision-making autonomy.

3.4.4.3 Geocentric Approach

Geocentrism is '*world-oriented*'. This approach is based on the idea that each subsidiary and headquarters has their unique contribution to the corporate performance. In terms of HRM implications, it is not the nationality of the personnel taken into consideration but the skills, ability and experience of the personnel. Global approach dominates those enterprises where exchange of information, ideas, working methods, and personnel between headquarters and subsidiaries is the main issue. Geocentrism refers to a "*world-oriented*" attitude for integrating headquarters and subsidiaries through a global systems approach with which they consider themselves as parts of an organic worldwide entity. This approach is based on the idea that each subsidiary and headquarters has their unique contribution to the corporate performance.

Table 3.1. Four Types of Headquarters Orientation toward MNE subsidiaries

	Orientation			
Aspects of the Enterprise	***Ethnocentric***	***Polycentric***	***Regiocentric***	***Geocentric***
Complexity of Organization	Complex in home country, simple in subsidiaries	Varied and independent	Highly interdependent on a regional basis	Increasingly complex, highly interdependent on a worldwide basis.
Authority; decision-making	High in headquarters	Relatively low in headquarters	High regional headquarters and/or high collaboration among subsidiaries	Collaboration of headquarters and subsidiaries around the world
Evaluation and Control	Home standards applied for persons and performance	Determined locally	Determined regionally	Standards which are universal and local
Rewards, punishments; incentives	High in headquarters, low in subsidiaries	Wide variation; can be high or low rewards for subsidiary performance	Rewards for contribution to regional objectives	Rewards to international and local executives for reaching local and world-wide objectives
Communication, Information flow	High volume of orders, commands, advice to subsidiaries	Litte to anf from headquarters, little among subsidiaries	Little to and from corporate headquarters , but may be high to and from regional headquarters and among countries	Both ways and among subsidiaries around the world
Geographical Identification	Nationality of owner	Nationality of Host Country	Regional Company	Truly worldwide company, but identifying with national interests
Perpetuation (recruiting, staffing, development)	People of home country developed for key positions everywhere in the world	People of local nationality developed for key positions in their own country	Regional people developed for key positions anywhere in the region	Best people everywhere in the world developed for key positions everywhere in the world

From *Multinational Organizational Development by D. A,* Heenan, H. V. Perlmutter, 1979, Reading, US: Addison-Wesley Publishing Company, p.18-19.

3.4.4.4 Regiocentric Approach

Heenan and Perlmutter (1979) have added ***regiocentrism*** to the other orientations of top management. According to the regiocentric approach, it is best to do business on a regional basis. For instance, a regional advertising campaign may be launced by managers of subsidiaries in Europe (French, British, German, Netherlands) with a European orientation referring to the regioncentric commonalities, and tastes.

3.5 IHRM Orientations of MNEs across Borders

Considering there are two contradictory forces for global integration versus local responsiveness in MNEs today, HR is one of the most primary functions that are under the influence of these forces since HR usually deals with cultural differences and local regulations to a greater extent than other business functions. And MNEs present differences in the extent to which they transfer their HRM practices. Taylor (as cited in Harzing and Ruysseveldt, 2004) has identified 3 orientations in the MNE's international IHRM system:

- **Adaptive Orientation:** MNEs with an adaptive orientation demonstrate high local responsiveness/isomorphism and low global integration. They design HRM systems for their subsidiaries that reflect their local environment. This orientation is in line with Perlmutter's polycentric approach.
- **Exportive Orientation:** MNEs with an export orientation demonstrate low local responsiveness/isomorphism and high global integration. MNEs' objective here is to completely transfer their HRM practices to their subsidiaries. This orientation is consistent with Perlmutter's ethnocentric approach.
- **Integrative Orientation:** An integrative approach combines global integration and local responsiveness/isomorphism. The objective of the MNE is to use the 'best practices' which can originate from both the MNE headquarters and the subsidiaries.

3.6 Organization-Environment Theories Applied to SIHRM in MNEs

3.6.1 The Institutional Theory

When MNEs enter a host region or nation, it is inevitable that they face certain institutional issues and/or problems to deal with. Kostova and Roth (2002) have argued that MNEs have to achieve and maintain legitimacy in the environment and on the other hand will be enforced to adapt local practices that are inline with the local institutional context. However, MNEs established as subsidiaries in local environments, are also responsible for ensuring and utilizing the company's overall organizational capabilities and practices. This brings the pressures for global integration and local adaptation, the concept that has been discussed before throughout the text.

Quintanilla and Ferner (2003) have discussed that the factors that shape the parent corporation's organization and strategies, the host country related characteristics and the characteristics of local subsidiaries have influences on or differentiate the MNE-subsidiary relation patterns. Even within the same national-institutional context, the variance is significant due to the differences in subsidiaries' historical evolution, etc.

The role played by MNEs in managing the forces for integration and responsiveness or adaptation of HRM is significantly important. Different national skill profiles and institutional processes either reinforce or restrict some HRM policies and practices. The state enforces firms to comply with specific regulations such as labor practices. Each subsidiary of an MNE is located in a different local setting with different institutional and national profiles which makes IHRM as well as many other practices context-specific. Therefore, 'local isomorphism' is more frequently observed in human resource field due to the host-country regulations and constraints.

3.6.1.1 Institutional Agents and HRM

Major institutions at the national level and their sphere of influence regarding HRM will be explained (Tayeb, 2005):

- **Political economic system:** A nation's organization of its public and private lives is heavily influence by political economic system. Some policies within the political system also influence the business organizations and HRM. For instance, at times of low unemployment, employees achieve high power of bargaining about their employment rights.
- **Government:** The regimes pursued by governments play a role regarding their level of intervention in companies' internal and external activities. For example, while some capitalist democracies try not to intervene in business activities, communist regimes have almost total control and intervention over all business activities within their borders.
- **Economy:** In industrialized and developed nations, people are educated, and know their political and civil rights. They have the power to raise their voice for working conditions, issues about their jobs.

- **Trade Unions:** The power and influence of trade unions vary from one country to another. There are also some countries in which trade unions are not allowed to function or are allowed to operate with almost no power.
- **Legal System, Industrial Relations Laws:** People and organizations in each country are subject to the laws of the country. In terms of HR, health and safety, maternity and paternity leaves, physical working conditions are activities governed by laws.
- **Other Market-Related Local Actors:** MNE subsidiaries can operate their business through local intermediary linkages. These local actors include suppliers, customers, competitors, distributors. The linkages that the MNE subsidiary has established with local customers, suppliers, investors also contribute to the autonomy of the subsidiary practices (Ghoshal and Bartlett, 1990).

3.6.2 The Resource Dependence Theory

Applying the 'resource-dependence view' of the firm to MNEs draws significant attention. The resource-dependence approach is based on the foundation that the subsidiary's dependence on the parent facilitates the influence and control. Kostova and Roth (2002) have argued that dependence of a subsidiary on headquarters of an MNE refers to the condition or need that the subsidiary relies on the parent organization for supplying main resources such as technology, capital and expertise.

There may also be a mutual dependence relationship between the subsidiary and headquarters or other subsidiaries of the MNE. The subsidiaries may be interdependent to one another for exchanging resources or the Headquarters may be dependent on the subsidiaries for certain resources and capabilities. So within the organizational context, dependence may be regarded more as interdependence and integration than as a power-based dependence (Kostova and Roth, 2002).

An organization may need some resources in the form of capital, skilled labor, managerial expertise and advanced technology. While some of these resources are immobile and drawn from the local environment such as skilled labor others may be obtained from great distance or another resource type like technology may face

governmental restrictions when MNEs want to transfer it. Rosenzweig and Nohria (1991) have argued that due to the different access capability of resources and the fact that organizations are dependent on resources from the environment; the national boundaries are considered to be an important factor for MNE subsidiaries. In the local environments, foreign subsidiaries face that variations exist in terms of resources.

3.6.3 The Contingency Theory

As explained in previous section, contingency theory is based on the argument that different conditions of change and complexity in the environment call for different organizational practices, structural reformulations or arrangements. Attributing this argument to the international HRM in MNEs, MNEs may use different employment systems and the degree of integration within the parent-subsidiary relations might show differentiations within the MNE. These differentiations are based on the country the subsidiary is operating in, the degree of cultural and legal similarity between the MNE and country of the subsidiary or the existence of a particular group of high caliber employees within the subsidiary (Taylor et al., 1996). Therefore, environmental circumstances indicate the extent of integration or responsiveness. For instance, contingent factors such as size, age or industry of the subsidiary have effects on the degree of control exerted on the subsidiary (Baliga and Jaeger, as cited in Ferner, 2000).

3.7 Theoretical Background of HRM Context in Turkey and IHRM with Different National Origins

3.7.1 HRM Context in Turkey

As competition has intensified, organizations have recognized that they have to take care of their human capital. Nevertheless, HRM is in a development stage in Turkey. Aycan (2001) has revealed that in few private sector organizations, top management sets full partnership with the HR Department (i.e. collaborative strategic decision making). In the rest of the private organizations, there is not much change in HR functions except for changing the name of the “personnel” department to “human resource management”. In family owned firms, traditional routine services are provided in HR Departments.

The Meaning of Working (MOW) International Research Team's (1986) investigation— asking employees from different cultures the meaning of work— has revealed that learning new things and job security are the top two expectations of Turkish employees. The emphasis on job security can be attributed to the uncertainty avoidant nature of the Turkish culture and also to the turbulent economic conditions that Turkey was going through (Wasti, 1998).

Human Resource Research towards 2001 conducted by Arthur Andersen (2000) has revealed that the human resource departments of many firms from important industries (finance, technology, FMCG, pharmaceutical, automotive, textile, construction industries) of Turkey were becoming formal institutions and are interested in new methodologies and approaches executed worldwide. One thing to consider before revealing the results of this research is that the firms in the sample included both local and also foreign-invested companies. So, the results would simply reveal a blend of local and foreign-owned firms rather than a demonstration of pure local firms' HRM practices.

Among these firms 47.2 % have mentioned to possess a detailed HR planning policy. 72 % of the companies have reported that they had a performance appraisal system with standard appraisal form. The criteria for appraisals differed across the organizational levels and 30 percent mentioned that goals, competencies and behaviors are used as the appraisal criteria. 47 percent have indicated that the results of performance appraisals influenced management of career planning, compensation package and training needs of employees. 54 percent of the companies have had a training and development system whereby training needs were determined by employee surveys (38,5 percent), one-on-one interviews (29.1 percent) and performance appraisal interviews (20.5 percent). More than half of the organizations have mentioned that they had a career management system in which promotion and advancement are dependent on performance levels (62.5 percent), completion of necessary trainings (69.8 percent) and seniority level in a particular position (44.4 percent). The percentages of factors influencing compensation increases were mainly 94.4 with inflation, 82.6 with individual performance, and 57.7 percent with seniority. 67 percent of the organizations reported that they had a performance based reward allocation such as bonus, salary increases.

According to Cranfield International Strategic Human Resource Management Research (1999-2000), the numbers of firms that do not have HR Directors are significantly higher than European countries. It has been found that while recruitment and selection, training, performance appraisals and rewarding are more likely to be stressed by European countries, the retention or long-term employment issue is highly emphasized in Turkey. This has been attributed to the volatile market conditions dominant in Turkey rather than effective HR implementations. Among the HRM systems, recruitment is likely to be less formalized and highly subjective. Selection process may rely on referrals where current employees usually call for their friends and/or family members, which represents the Turkish social cultural context. The references and previous experience issues are the most widely used techniques in selection process. Organizations in Turkey are found to be more oriented toward internal promotion and job filling in managing career paths.

3.7.2 Institutional and Regulatory Context of Labor Market in Turkey

Turkey, as an emerging economy, is in a transition from rural, agricultural, traditional, patriarchal society – that is traced back to the Ottoman Empire times —to a modern, industrialized, an egalitarian one. It is the first industrialized Muslim nation with a secular regime. After World War II, the process of democratization accelerated. However, the army intervened in 1960, 1971 and 1980. Then, the Turkish Party Anavatan (ANAP) came to power and Turgut Özal became the Prime Minister. There was then a move from a traditional etatism-state sponsored economy to a more liberal economy which opened the doors for new investors(Rothschield, 1981). After 1980s, a series of reforms were designed to shift the economy from a statist, isolated system to a more private-sector, market-based model. The reform program included a reduced state role in the economy, realistic monetary policies, cutbacks on subsidies and price controls, and encouragement of exports and foreign direct investment. So significant foreign direct investments took place after 1980s and 1990s.

Turkey is a large, middle-income country with relatively few mineral resources. Its economy is currently in transition from a high degree of reliance on agriculture and heavy industrial economy to a more diverse, more modern economy with an

increasingly important and globalized services sector. In the 1990s, Turkey's economy suffered from a series of coalition governments with weak economic policies, leading to a boom-and-bust cycle culminating in a severe banking and economic crisis in 2001 (TUSIAD, 2004).

According to OECD Economic Survey of Turkey (2006) macroeconomic and structural reforms have been made that reinforced domestic and foreign investment. Over the 2002-2005 period, output increased by a third which was the highest growth among Organization for Economic Co-operation and Development (OECD) countries. Turkey experiences a recent growth pick-up. Annual inflation fell to single digits showing a sustainable growth path.

According to World Bank Turkey Labor Market Study (2006), high levels of unemployment characterize the Turkish labor market. There is also a large and growing informal labor market. However, Turkey has made new reforms in the recent years such as the implementation of the Unemployment Insurance and the new Labor Code (Act 4857) in 2003. Turkey's new Labour Code (no. 4857) aims to ensure the equality principle, regulate the working conditions and work-related rights and obligations of employers and employees working under an employment contract (Dereli, 2003). The Code has increased the protection for workers both within and outside the firm. Some instruments include social security, unemployment insurance, enhancing employment services offered by Turkish Association for Employment (ISKUR). Data from OECD (2004) have reported that Turkey has the highest employment protection index, followed by countries in southern Europe and then by countries in northern Europe.

There is also a problem of non-compliance as identified by employers and workers. For instance, some employers are less inclined to pay social security contributions, workers can be unregistered; the employees who are registered in SSK are also registered at the minimum-contribution rate. Another instance is overtime can be unregistered and unpaid. In order to avoid severance obligations, employees are asked to resign rather than being dismissed. There is also a perception that courts are not eligible in terms of solving employment disputes. According to Turkey Labor Market Study 2006, these problems are due to high costs of complying with labor

laws for employers. Employment protection rules such as severance pay requirements are one of the strictest in OECD members. Governments try to maintain compliance through workplace inspections. For instance SSK conducts randomly inspections in order to control registration levels and contributions every year. Despite the recent reform of unemployment insurance, most of unemployed people are not registered. For instance, in 2004, registered unemployment was 811,949, while aggregate unemployment was 2.5 million (Turkey Labor Market Study, 2006).

Focusing on the significant reforms, the 2003 Labor Code has introduced flexible working arrangements and employment protection provisions. Collective dismissals have been regulated in detail. It is a product of the country's history as a secular, modern, industrialized republic, long interested in international trade and the development of high-quality products for export. As a result, industrial relations are relatively elaborate and there are long-term protections for workers including social security measures (Turkey Background Study, 2004). The law has brought many revised provisions about HRM policies such as vacation and working hours policies, contract / wage negotiations, grievances, etc. An important provision has been about employee terminations such that that the employers can only dismiss workers only on the basis of a valid cause for the dismissal (Dereli, 2003). The valid reason for the dismissal has made the employee performance evaluations in organization important in the sense that now they are considered as proof of evidence when an employee termination is required. Therefore, the law has obliged all organizations employing more than 30 employees to design a system of management of performance appraisal in which the employees shall go through.

Despite many strong reforms in the Turkish labor market regulation and social security measures to protect workers, still there are rigidities remaining regarding labor market regulations. Turkish employees are not able to access the labor law, social security, unemployment insurance benefits partly due to informalization. OECD (2007) also provides recommendations for Turkey in terms of employment protection which is regarded as too strict for permenant and temporary workers and recommends to reduce the level of severance payments for dismissed permenant workers and provide less restrictions in the case of temporary workers.

3.7.3 HRM in MNEs with Different National Origins

Being one of the questions of this research, other considerable body of research has found a 'country-of-origin' effect showing that MNEs from different parent countries behave differently in managing HR and industrial relations (IR) (Ferner, Quintanilla and Varul, 2001; Harzing, et al., 1999). Here is presented some recent research on the national 'embeddedness' of German and American (USA) MNEs. The reason for selecting these national bases is due to the fact that the sampling of the current study has heavily involved MNE subsidiaries with German and US origins. (See Section 4.6 and onwards).

American HRM system represents a labor market model, based on the ideology of the free enterprise which means depending on the needs of the employing organization, workers are employed or their job contract is terminated (Ferner, 1997; Yuen and Kee, 1993). US management philosophy emphasizes individuals mainly and their decision-making responsibilities. Additionally, US is an important model for innovative human resource practices (Muller, 1998). Similarly, Huang (2000) has revealed that US firms encouraged individual creativity, innovation and organizational adjustment.

In terms of the degree of transfer of HRM to overseas affiliates, Yuen and Kee's (1993) examination of American MNCs in Singapore has found that the personnel practices of American affiliates are globally standardized and expatriates reflect significant ethnocentric approach. Wever (as cited in Muller, 1998) has studied three US affiliates in Germany and has found that affiliates behave just as their parent headquarters.

German way of management reflects the conservatism and strength of business in country of over 80 million people (Warner, 1998). He has argued that German management has a technical expertise emphasis, which dates back to mid nineteenth century. They emphasize technocratic authority and wide spans of control. Actually, German managers have been found to be more oriented to show uncertainty avoidance as they expect short-term feedback. On the other hand, German firms were less formalized and had flatter structures (Warner, 1998). In managing HRM practices, the Germanic tradition is based on formal apprenticeship and functional

rotation, advancement through functional career paths so that specialized expertise is developed (Ferner, 1997). Germany has an "institutionally strong" system, which enforces a set of institutional arrangements on companies. A works council is elected by all non-executive employees and it has a strong impact on people management. Co-determination rights (participative-decision making) with regard to selection, induction, training, promotion, pay, appraisal systems and working hours imposes management to get the approval of the works council (Muller, 1998).

Based on the rigidities, German MNCs may not have the flexibility to manage their international labor force in a strategic fashion; to develop international pay and performance management systems (Ferner, 1997). However, Wever (1995) has revealed that German companies operating in the United States try to pursue American-style HR policies and overall business strategies taking the advantage of operating without a union possibly. This study may imply that German affiliates may have an attempt to adapt to the local HRM practices of the country where they operate or may choose to conform to an international standard. Secondly, Ferner et. al. (2001) have made a study of German subsidiaries in Britain and Spain and has found that they are more Anglo-Saxonized in the area of HRM both in the development of substantive international HR policy and creation of new international organizational structure for the HR function itself. On the other hand, German subsidiaries in Spain are more likely to transfer their HRM practices than German subsidiaries in Britain. They have concluded that nationally determined patterns of MNE behaviors may not be static but be transitional and weaken over time. So the older they become and the more experience they have internationally, MNEs may be looking for ways to adapt to the constraints and opportunities of host environments.

According to the findings above, the influence of country of origin may vary in form and in different host environments. MNEs may be forced to accommodate to the constraints imposed by the institutional framework.

3.8 Analyzing IHRM from the Perspective of 'I/R Framework'

It was not until recently that many previous studies dealing with MNE operations have given the parent company utmost priority. It was assumed that subsidiaries have to comply and in reality and in practice do comply with the rules and policies

imposed by the headquarters. However, more research show that headquarter-subsidiary relationship is much more dynamic and even interdependent. The particular characteristics of the local environment that subsidiaries operate in or the characteristics of the subsidiary itself may bear some influences on the worldwide subsidiary operations. Subsidiary operations are composed of many differentiated business practices ranging from manufacturing to finance and to HR each of which has to face the pressures for global integration and local responsiveness. Kamoche (1996) has called this dilemma as how to 'think globally and act locally'. Examining the I/R (Bae, Chen and Lawler, 1998; Ferner, 1994; Ferner, 1997; Huang, 2000; Lu and Bjorkman, 1997; Myloni et. al., 2004; Ngo et. al., 1998; Rosenzweig and Nohria, 1994) puzzle for IHRM has been a more recent research topic.

Managing HR of a multinational enterprise strategically is a highly challenging task both for MNE headquarters and subsidiaries around the world. These challenges come out as many MNEs come across many new demands on their organizational structures and personnel in global competition. The extent to which MNE subsidiaries adapt their practices to local environment versus the extent to which their practices resemble those of their parent company is central strategic challenge.

The subsidiaries' strategic orientation in executing their HRM is heavily shaped by many factors such as internal organizational environment of the subsidiary, the external national and international context in which the subsidiary operates, the form of MNEs' internationalization, strategic options of the MNE at the headquarters (Ferner, 1994; Tayeb, 2005).

3.9 A Conceptual Model Explaining the Influences Arising from Host-Country Environment and Headquarters

The main focus of this study is to investigate the influence of distinct forces coming from host-county environment and MNE Headquarters on the ***'local responsiveness of strategic human resource development (SHRD) practices'*** in MNE subsidiaries. Since SHRD practices will be discussed within MNEs and so within an internationally broader context. Therefore, it is required that the all the discussed HRD practices shall be taken into consideration as 'international' throughout the

text. The main HRM practices that will be under investigation include recruitment, staffing, performance management, training and career management practices. 'Compensation and benefits' were considered outside the scope of the research mainly because many companies were thought to be highly reluctant to provide any kind of information regarding compensation and benefits since the compensation issue was treated in strict confidentiality. Since all the remaining applications involve assessment and development of an employee's potential, they will be named as HRD practices throughout the study, instead of HRM practices. The definition of HRD has been provided in literature studies. Nadler (1970) defined HRD as a series of organized activities, planned to change the behavior of organization members to being more effective in their work. The path to HRD ranges from vocational training to long term goal setting, employee performance development to fulfilling their career plans.

Tayeb (2005) has mentioned about two different perspectives in this relationship; one being *parent country perspective* and the other being *subsidiary perspective.* Each perspective bears different influences that create a tension between the need to keep subsidiary be integrated to the MNE and be adaptive to particular circumstances and environments. Research shows that both the headquarters and dynamics of the local country may play a role in the operations of MNE subsidiaries. These different influences have impact on the nature and form of the transfer of practices across borders. Below is presented some of the main determinants in the headquarters-subsidiary relationship and their influence on the international HRM practices. Nevertheless, it should be noted that the degree of adaptation varies from one firm to another or one environmental setting to another due to these competing pressures on the MNEs. Even the same MNE or the same national environment can pose to very different contingencies such as the industry, the size, strategic orientations of the firm, etc. and can modify the relationship. Different explanatory factors related to the subsidiary or related to the MNC should be tested in order to explain the influence of one variable on the other. So, the general hypothesis of this study is:

Hypothesis: There will be some variance between MNE's SHRD practices and subsidiary SHRD practices due to the host country's local environment.

As examined in 'models of strategic IHRM section, there are many determinants that have been proposed to influence the relationship between headquarters and their subsidiary units operating in various countries (see section 3.4). Each conceptual model has posed both overlapping and also differentiating factors relying on different organization –environment theories. These studies have shown that while there are interactions between variable groups, there are also interactions between different variable items within each variable group (Jakobsen and Rusten, 2003; Ghoshal and Nohria, 1989) In Jakobsen and Rusten's study (2003) the main focus has been to answer the question of differences in the degree of autonomy among subsidiaries. The influence of subsidiary related factors and MNE-based factors have been the focus of analysis in explaining foreign subsidiary's degree of autonomy.

Confirming to the objectives of the research in this study, the research will try to be built upon recent work in SHRD practices by integrating the resource-dependence theory (Pfeffer and Salancik, 1978) and institutional theory of the firm (Di Maggio and Powell, 1983, Scott, 1995). The aim is to investigate the distinct forces for global integration and local responsiveness and to what extent they affect the SHRD practices of MNE subsidiaries. As provided with in-depth explanations before, strategic HRM simply links HRM with the general strategy of the MNE and helps ensure wholeness and congruence among distinct HRM functions or practices.

Based on the conceptual model and confirming to the objectives of the study, four main categories (variable groups) will be examined in terms of their influence on the SHRD practices in subsidiaries of MNEs. The categories under investigation will be ***'MNE organizational factors', 'environmental factors', 'subsidiary characteristics' and 'MNE characteristics'***. In this respect, while the influences of ***MNE organizational factors and environmental factors*** on the SHRD practices of MNE subsidiaries are explored, the strength of the relationship between ***MNE organizational and environmental factors*** and SHRD practices will also be studied.

It is also important to note that with the ***'environmental factors'*** dimension, research provides evidence with regard to both economic and socio-cultural factors (Shen, 2005). Economic and socio-cultural factors constitute important components of the host country's environment and require in-depth research in order to analyze and

understand their influences on the subsidiary behavior. Therefore, in line with the objectives of this study, these factors will not be covered within the research model. The model only includes the dimension of the 'national origin' of the MNE parent and tests whether the country-of-origin makes a difference in the MNEs' IHRM practices. Under any significance, the results might be attributed to the evidence from national origin studies based on a socio-cultural perspective (Ferner, 1997, Ferner 1994, Schuler et. al., 1993 and Taylor and Beechler, 1993, Hofstede, 1980).

Although the objective of the study is to examine the impact of ***MNE organizational and environmental factors*** on the MNE organizations and practices, evidence also exists about the two-way relationship between the variables. (Rosenzweig and Singh, 1991) have discussed about the reverse situation—organization's ability to affect their environments. National environments have influence on the subsidiaries practices. Meanwhile, the subsidiaries of MNEs may act as a channel within the MNE network and through this channel; the influenced subsidiaries themselves will influence other subsidiaries' practices, through which the other national environments will be exposed to new potential influences (Ferner, 1997).

Below the conceptual model is presented in Figure 3.3. Accordingly, the ***MNE organizational factors*** on the left and the ***environmental factors*** on the right are presented as two independent variable sets. On the other hand, ***subsidiary characteristics*** and ***MNE characteristics*** are considered as moderating variable sets because each of these individual variables within the sets are expected to influence the degree to which the independent variables will influence the dependent variable. Finally, ***local responsiveness of SHRD practices*** will be the dependent variable of the study. How these variables are operationalized will be explained in the next Chapter. The impact of each of the variable sets on the MNE subsidiaries' HRM practices will constitute a different set of hypotheses and are explained comprehensively below:

3.9.1 MNE organizational Factors

The MNE subsidiaries operating around the world are the operating units of their parent companies. The parent company or the headquarters usually map the general vision and strategic goals of the firm. On the other hand, MNEs may try to ensure either high strong or less strong control mechanisms in order to ensure the subsidiaries act in the best interest of the firm. Within the context of the study, the MNE organizational factors include ***MNE's national origin, international business strategy, MNE'S international orientation, MNE's control orientation*.** Below, the influence of each of the MNE organizational variables on subsidiary HRM practices will be hypothesized:

Hypothesis 1: MNE's organizational factors influence the degree to which MNE SHRD practices are adapted to the local environment.

MNEs have differentiating characteristics arising from their different national origins. The nationality of the home country accounts for the differences in management, in how a country internationalized and how it conducts business in foreign markets (Shen, 2005; Tempel, 2001; Ferner, 1994). Tregaskis (1998) have also asserted that national origin of the parent company can be regarded an important predictor in shaping the HRM practices of foreign MNE subsidiaries. This is due to the fact that each home country has different domestic political, legal, economic and socio-cultural dynamics. These dynamics influence all national or MNEs' characteristics. Therefore, a national business system of the country of origin influences MNE behaviors (Shen, 2005).

Cultural studies have shown that national context plays a significant role in shaping organizational practices. Ngo et al. (1998) have similarly mentioned that the ***national origin*** of the MNE acts as a major factor for the pressures between global integration and local adaptation. They have tied this to the differences in cultural values, cognitions and behaviors of people in these countries and argue that due to differentiating cultural dimensions, MNEs from different national origins can have different degrees of adaptation local conditions. Valuable evidence has been provided by Schuler et. al. (1993) and Taylor and Beechler (1993) that some HR practices are more acceptable to some countries with certain cultural values, while

these practices are not that easily acceptable to other countries. As Hofstede (1980) has found individual pay-for-performance plans are very welcomed in individualistic countries as opposed to collectivistic countries.

Cultural variance in people coming from different nations also brings different work related values, attitudes of management, ways of doing businesses. Therefore, the MNEs have to find different ways to lead, organize and develop this complex employee pool. Regarding management practices, based on the studies focusing on systematic differences in the ways in which MNEs from different country of origins manage their HR, a strong support is provided for the fact that "nationality of ownership is a significant determinant of MNC behavior." (Ferner 1997, p.20). According to Taylor et al. (1996) MNEs based in the same country have more similar SIHRM orientations among each other than MNEs based in other countries. Evidence shows that US MNCs are more likely to be centralized and formalized in management of HR and the headquarters of US MNCs may have impact on the wage systems, collective bargaining, and welfare and training policies of their subsidiaries. Ferner (1994) have also stated that European companies are less likely to be polycentric than the Japanese and American companies or that US-based firms leave less room for decentralized decision-making than European-based firms. Therefore,

Hypothesis 1a: MNE subsidiaries from the same national origin are likely to be more similar to each other in terms of SHRD practices than MNE subsidiaries from different national origins.

Though, the hypothesis on the basis of ***national origin*** is given, some researchers have also put forward the question of *whether* the 'national origin' itself is the cause of the differences in subsidiary HRM practices across borders *or* the differences stem from factors such as phase of internationalization, corporate structure, degree of interaction with locals, etc. (Myloni et al., 2004; Tregaskis, 1998; Ferner, 1997; Ferner 1994). A possible solution to this question may be regarded as to compare firms of similar ages, structures and strategies, etc. However, any different finding based on these criteria may also be attributed to the differences in national business systems (Ferner, 1994). A second alternative will be to test the 'national-origin' also as a moderating variable which might influence the degree to which other

organizational or environmental variables will influence the dependent variable, subsidiary SHRD practices.

The following hypothesis has been formulated according to the evidence and findings that MNEs have been categorized according to their ***international corporate strategies*** by various authors (Perlmutter, cited in Bartlett and Ghoshall, 1989; Harzing and Ruysseveldt, 2004; Porter, 1986). On the one hand, there are internationally integrated companies which plan and execute their business strategies on a transnational or global basis, on the other hand there are those companies which allow their subsidiaries to behave with autonomy and adopt the national business culture in which they operate.

According to the resource-based theory of the firm, an MNC is regarded as a network of resource transactions among MNE subsidiaries in different countries. Structuring these resource transactions among the various subsidiaries is determined by an MNE strategy. Following Porter's work (1986), Taylor and Beechler (1996) have identified two MNE strategies as *multi-domestic* and *global*. An MNE with a ***multi-domestic strategy*** manages its subsidiaries in a way where the activities of one overseas affiliate do not affect the activities of another affiliate. The local market demands a high degree of adaptation of the firm's products since the subsidiaries confront strong local competitors and act on the basis of inputs coming from the local environment. Whereas, MNEs pursuing global strategy manage its subsidiaries in a standardized way for achieving cost-effectiveness. An MNE with a ***global strategy***, in which demand is mostly common across countries, manages its subsidiaries as interdependent businesses. There is high level of integration, coordination and control of activities across the MNE overseas subsidiaries and competition takes place among global players (Porter, 1985; Gupta and Govindarajan, 1991). The strategies pursued by MNEs are considered to determine the way they manage their subsidiaries and different business areas within the subsidiary like marketing, manufacturing, HRM, etc. So, the following hypothesis will be examined:

Hypothesis 1b: Local responsiveness of SHRD practices is dependent on MNE's international strategy.

Four types of MNEs exist reflecting their overall orientation in management practices—ethnocentric, polycentric and global, regional. Accordingly, Heenan and Perlmutter (1979) have argued that the management practices in MNE subsidiaries may resemble the practices of its MNE Headquarters, parent company ***(ethnocentric)***, be aligned with local practices of the subsidiary's host country environment ***(polycentric)***, could pursue a worldwide standard ***(global)*** or could operate in a regional manner ***(regiocentric).***

Among many business practices—finance, marketing, manufacturing, and HRM- the distinct pressures for global standardization and local responsiveness are evident. As the objective of the study is to examine certain influences on HRM in subsidiaries, the impact of the overall international orientation of the MNEs on subsidiary HRM will be explained. Ondrack (1985) have argued that for international transfers, as subsidiaries have less dependence on the MNE headquarters for resources, they exert more autonomy and power. They can be given the autonomy through a series of management mechanisms such as management of career paths and management development. As Table 2.7 represents the organization design components vary according to the overall orientation of the headquarters. So, the more an MNE headquarters pursues an ethnocentric orientation, the more likely that MNE subsidiaries will conform to the HRM practices of the Headquarters and the more an MNE headquarters pursues a polycentric orientation, the more the HRM practices of the MNE subsidiaries will be aligned with the host country.

Table 2.7. Three Types of HQ Orientation

	Headquarters Orientation		
Organization design	**Ethnocentric**	**Polycentric**	**Geocentric**
Complexity of organization	Complex in home country, simple in subsidiaries	Varied and independent	Increasingly complex and interdependent
Authority, decision-making	High in headquarters	Relatively low in headquarters	Aim for a collaborative approach between headquarters and subsidiaries
Communication, information flow	High volume to subsidiaries	Little to and from headquarters; little between subsidiaries	Both ways and between subsidiaries; heads of subsidiaries part of management team
Identification	Nationality of owner	Nationality of host country	Truly international company but identifying with national interests
Perpetuation (recruiting, staffing, development)	Recruit and develop people of home country for key positions everywhere in the world	Develop people of local nationality for key positions in their own country.	Develop best people everywhere in the world for key positions everywhere in the world

From *International Human Resource Management: An Integrated Approach* by A. W. Harzing & J.V. Ruysseveldt (Eds.), 1995, London: Sage Publications Ltd.

Having considered the literature findings, the following hypothesis will be proposed:

Hypothesis 1c: Local responsiveness of SHRD practices is dependent on MNE's international orientation.

The headquarters of some MNEs try to exert tight control and autonomy over their subsidiaries than other MNE headquarters (Rosenzweig and Nohria, 1994). Handling the power of control in their hands, these headquarters are inclined to shape and influence the subsidiaries' decision-making processes in many business practices such as overall strategy, marketing, production, finance as well as HRM. In such conditions, the subsidiaries are less likely to take part in decision-making processes and less likely to be responsive to local practices. Similarly as Tayeb (2005) has mentioned the headquarters usually ignore the local differences and directly exports home-country practices to subsidiaries.

Ferner (1994) has also pointed that different degrees of ***MNE's control*** or centralization produce conflicting results with respect to different areas of management. For instance, decisions concerning financial control and accountability, R&D and technology tend to be more under the control and influence of the headquarters than decisions concerning advertising, distribution and employment or personnel policy. The view, HRM as one of the most decentralized functional areas has also been supported by Tregaskis (1998). It is necessary however not to make generalizations because other studies also mention about the different levels of control exerted by headquarters on the human resource policies (Tregaskis, 1998; Bartlett and Ghoshal, 1987; Perlmutter, 1965). The centralization of HR function may vary depending on other factors such as strategy of the headquarters or other organizational factors, resource dependence, or institutional frameworks of the host country. The hypothesis proposed for this variable is as follows.

Hypothesis 1d: Local responsiveness of SHRD practices is dependent on MNE's control orientation.

3.9.2 Environmental Factors

The environmental factors within the context of the study are grouped into two contexts: resource-dependence context and institutional context. The former covers subsidiary's dependence on local resources, subsidiary's dependence on parent resources whereas the latter includes ***labor law influences,*** and ***subsidiary's relationship with local networks.*** Considering these findings, the following hypothesis is examined:

Hypothesis 2: Environmental factors influence the degree to which MNE SHRD practices are adapted to the local environment.

3.9.2.1 Resource Dependence Context

This context concerns high levels of interdependence between various MNC units. It is usually believed that the headquarters of the MNE is superior to those of host countries. This superiority of headquarters' over its subsidiaries may reside in technological and managerial know-how and expertise and capital maintenance. In this case, the subsidiary is more dependent on the parent company and is given less autonomy (Tayeb, 2005; Kostova and Roth, 2002).

According to the resource dependence theory (Pfeffer and Salancik, 1978) the more a ***subsidiary*** is ***dependent on the headquarters*** and other sister subunits of the MNE in terms of resources such as capital, technology and management, it is more likely that the subsidiary's human resource practices will be coordinated by the headquarters of the MNE. In addition Martinez and Ricks (1989) have suggested that the degree of MNE headquarters influence on the HRM policies and practices of its subsidiaries is positively related to the degree to which MNE headquarters supply resources to the subsidiaries. Later, similarly Hannon et al. (1995) have provided a finding that when a subsidiary is highly dependent on the parent for maintaining important resources, MNE headquarters impose its control over international HR strategies usually. So, the following hypothesis will be analyzed.

Hypothesis 2a: Local responsiveness of SHRD practices is dependent on subsidiary's dependence on the MNE.

MNE subsidiary may receive inputs such as raw materials, intermediate parts, from other subsidiaries of the MNE. In addition, the subsidiary may be dependent on the local environment and may receive those inputs from the local environment. In this case, the subsidiary needs to establish backward and forward linkages with the suppliers and/or distributors within the local context. Forward linkages mean that subsidiary is producing and distributing inputs and back linkages mean the subsidiary is buying inputs (raw materials, semi-manufactured products, services, etc.) (Jakobsen and Rusten, 2003). Arslanoğlu (2000) has argued that spillovers from FDI operate through the backward and forward linkages among local suppliers, local distributor and local customers.

If the subsidiary is dependent on the local environment for different resources, it is more likely to demonstrate locally responsive management practices. For instance, having examined the effect of physical product flows, Rosenzweig and Nohria (1993) have found that the subsidiaries that are dependent on the local environment in terms of physical product flows are more likely to resemble local firms for HRM practices.

In Prahalad and Doz's theory (1987), it has also been implied that the greater ***subsidiary's resource dependence on local environment***, the higher the responsiveness or the lower the integration. Later in parallel, Hannon et al (1995) have found that higher local resource dependence calls for more localization in international HR. Therefore,

Hypothesis 2b: Local responsiveness of SHRD practices is dependent on subsidiary's resource dependence on the local environment.

3.9.2.2 Institutional Context

Political, legal, economic and societal institutions vary from one country to another. From an institutional perspective, there are elaborate rules and requirements to which individual organizations must conform in order to gain support and legitimacy and to increase their survival capabilities (Kondra and Hinings, 1998). Accordingly, these forces constrain or at least limit the activities of both national and foreign

organizations in a local setting. Further the relative importance attached to each institution and institutional norms may vary from one nation to another.

Within specific local institutional contexts, MNE subsidiaries face the tension for 'local isomorphism'. Considering a foreign MNE subsidiary in a host country, it is natural that institutions of the country-of-origin of the MNE will differ from those in the host country. The term ***'isomorphism'*** has been described by Di Maggio and Powell (1983) and as "a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions." Extending this concept of 'units' to organizations in business, isomorphism is based on the assumption that organizations become similar to each other through institutional forces. Likewise, to the extent that institutions in the host country are different from those of the home country of the MNE, the subsidiaries may differentiate their policies and procedures as given by the Headquarters so that the policies will be compatible with the local conditions. Institutions such as trade unions, workers rights, employment laws, health and safety regulations, and industrial relations legislation are the areas where there can be deep gaps among countries. Myloni et. al. (2004) have discussed that the existence of institutions in a society is an important indicator for the degree of transfer of HR policies. Rosenzweig and Nohria (1993) have argued that ***isomorphic pressures*** may force the MNE subsidiaries to more comply with HRM practices of the local environment. Additionally, Ferner (1994) have linked the institutional factor with the country of origin effect and argued 'the stronger is the institutional framework, the more the host country effect will override the country of origin effect.' (p.94). Considering these findings, the following hypothesis is examined.

Hypothesis 2c: Local responsiveness of SHRD practices is dependent on Labor Law influences.

Subsidiaries with a high degree of autonomy engage in more regional linkages and cooperation with other firms in the region. Similar to what Taggart and Hood (1999) have demonstrated, this study shows more locally responsive activities among subsidiaries with higher degrees of autonomy.

Within an institutional environment, *o*rganizations operate in a web of many relationships. It has been put forward by theorists that the ***relational networks*** in an institutional environment will bear crucial influences on organizational behaviors (Meyer and Scott; Zucker; as cited in Hannon, et al., 1995). Regarding HRM, Hannon et al.(1995) have stated that the HR policies and practices of MNE subsidiaries are influenced by the operations of the network of *regulators, competitors, local distributors, and local suppliers*, additional to the host institutions to the extent that the subsidiary establish tight web of relationships with them. So, the hypothesis will be defined as follows:

Hypothesis 2d: Local responsiveness of SHRD practices is dependent on the relational networks the MNE subsidiary has established in the local environment.

3.9.2.3 Subsidiary Characteristics:

The relationship between local responsiveness of SHRD practices of MNE subsidiary and environmental/MNE organizational factors may be moderated by the characteristics of the subsidiary. These characteristics include ***the size of the subsidiary (in terms of number of employees), the age of the subsidiary (in terms of its year of establishment) and the degree of presence of expatriates in the subsidiary.***

Hypothesis 3: The characteristics of the subsidiary of an MNE moderates the relationship between local responsiveness of SHRD practices and environmental/ MNE organizational factors.

Evidence from literature regarding the impact of a ***subsidiary's size*** (in terms of number of employees in the subsidiary) on HRM practices is ambiguous. It can be proposed that given their resources, larger subsidiaries in host environment may be more integrated with the local context and may require the resources of this context. On the contrary, it can also be hypothesized that given their resource, larger subsidiaries are more inclined to resist pressures coming from the local environment. Some literature suggests that the parent company finds it harder to transfer (some of its) human resource practices to its larger subsidiaries. For instance, Myloni et al. (2004) have conducted a study focusing on specific human resource practices. They

have found that the transfer of selection and performance appraisal practices was significantly higher in smaller subsidiaries suggesting transferring HRM practices in large subsidiaries are more difficult than smaller subsidiaries. On the other hand, Rosenzweig and Nohria (1994) have not found any significant effect and have attached this finding with the ambiguity of the size variable. So, it may be necessary and useful to test the effect of size in a different local context such as Turkey. It is expected to have a more localized HR as the size of the subsidiary increases, given that the subsidiary employee size is nourished from the local context. Considering these findings, the following hypothesis is examined:

Hypothesis 3a: Local responsiveness of SHRD practices is dependent on the interaction between environmental/MNE organizational factors and size of the subsidiary.

Due to the different factors in the local environments and local business cultures, the way the subsidiaries do business in the host setting and the degree of their autonomous actions may vary. Accordingly, Jakobsen and Rusten (2003) have discussed about the relationship between subsidiary autonomy and degree of subsidiary local responsiveness. They have argued about a shift from a hierarchical perspective of MNEs where headquarters monitor and control their subsidiaries or where subsidiaries are completely decentralized to a 'web of inter- and intra-firm relationships'. As MNEs act as global networks of subsidiary operations in different local environments, the autonomy of subsidiaries in the headquarters subsidiary relationship may differentiate. They examine the influence of different levels of autonomy on the degree of responsiveness and the regional linkages of the subsidiaries. According to the findings, ***the year of establishment (subsidiary age)*** is found to be significant for the level of autonomy. That means subsidiaries established before 1990s enjoy higher degrees of autonomy than younger subsidiaries.

Related to the subsidiary age of the MNE, Rosenzweig and Nohria (1994) have found no relationship between the age of the subsidiary and resemblance to local HRM practices. A contrary finding has arrived from Myloni et al. (2004) that older MNE subsidiaries can transfer their HRM practices at a lower rate than the middle-aged MNE subsidiaries. Myloni has attributed this finding to two alternatives. One of

them is related to the mentality of employees and their comfort level given that they have worked in these firms for long years. Therefore, it is difficult to change their way of thinking. The second one is related to the strict institutional environment in Greece at the time the subsidiaries were established.

With respect to the current research under study in the Turkish context, international HRM practices are expected to vary among subsidiaries by age. So, the hypothesis will be defined as follows:

Hypothesis 3b: Local responsiveness of SHRD practices is dependent on the interaction between environmental/MNE organizational factors and age of the subsidiary.

Country-of-origin or headquarter influence may dominate in situations when home country nationals are assigned to senior management positions in the subsidiaries (Harzing and Ruysseveldt, 2004). Rosenzweig and Nohria (1993) have described ***expatriates as "carriers of culture"*** (p. 236) in MNEs and found in their research that subsidiaries with a relative high level of expatriates significantly tended to apply their parent HRM practices than subsidiaries which employed almost exclusively host country citizens. Another evidence for the influence of the existence of expatriates on subsidiaries comes from Martinez and Ricks (1989). They tested the relationship between the existence of expatriates and subsidiary's level of interdependence and found that a higher percentage of expatriates in a subsidiary pose for a higher level of interdependence in transactions with other subsidiaries. Based on the literature, the following hypothesis will be analyzed below:

Hypothesis 3c: Local responsiveness of SHRD practices is dependent on the interaction between environmental/MNE organizational factors and degree of presence of expatriates working in the MNE subsidiary.

3.9.2.4 MNE Characteristics:

Rosenzweig and Nohria (1994) have aimed to test the influence of ***international experience of the MNE*** on the HRM practices of the subsidiaries which was previously claimed by Stopford and Wells (1972) who suggested a decreasing parent

effect with greater international experience of the MNE headquarters. According to the research results of the study by Rosenzweig and Nohria (1994), the findings support Stopford and Wells (1972) arguments. The variable 'international experience' is operationalized as the percentage of the MNE's total sales that came from outside the home country. It has been found that the greater the international experience of the MNE, the more the subsidiaries' HRM practices would resemble local practices. Schuler et al. (1993) have stated that the structure of international HR operations of MNEs is positively correlated with the length of time which MNEs are involved in international operations. That means, the longer the firms operate internationally, the more likely to adapt to local demands. Considering these findings, the following hypothesis is examined:

Hypothesis 4a: Local responsiveness of SHRD practices is dependent on the interaction between environmental/MNE organizational factors and the international experience of the MNE.

As mentioned previously, the 'national origin' has been questioned either to be the cause of the differences in subsidiary HRM practices across borders or to possess a moderating role on the relationship between local responsiveness and factors such as phase of internationalization, degree of interaction with locals, etc. So, 'national-origin' will be tested as a moderating variable which might influence the degree to which other organizational/environmental variables will influence the subsidiary SHRD practices. The hypothesis will be as follows:

Hypothesis 4b: Local responsiveness of SHRD practices is dependent on the interaction between environmental/MNE organizational factors and the MNE national origin.

As a result, this study will be based on testing the conceptual model which is presented in Figure 3.3 below. The proposed determinants and the influence of these determinants on the local responsiveness of SHRD practices of MNE subsidiaries in the Turkish local environment will be investigated in the following sections.

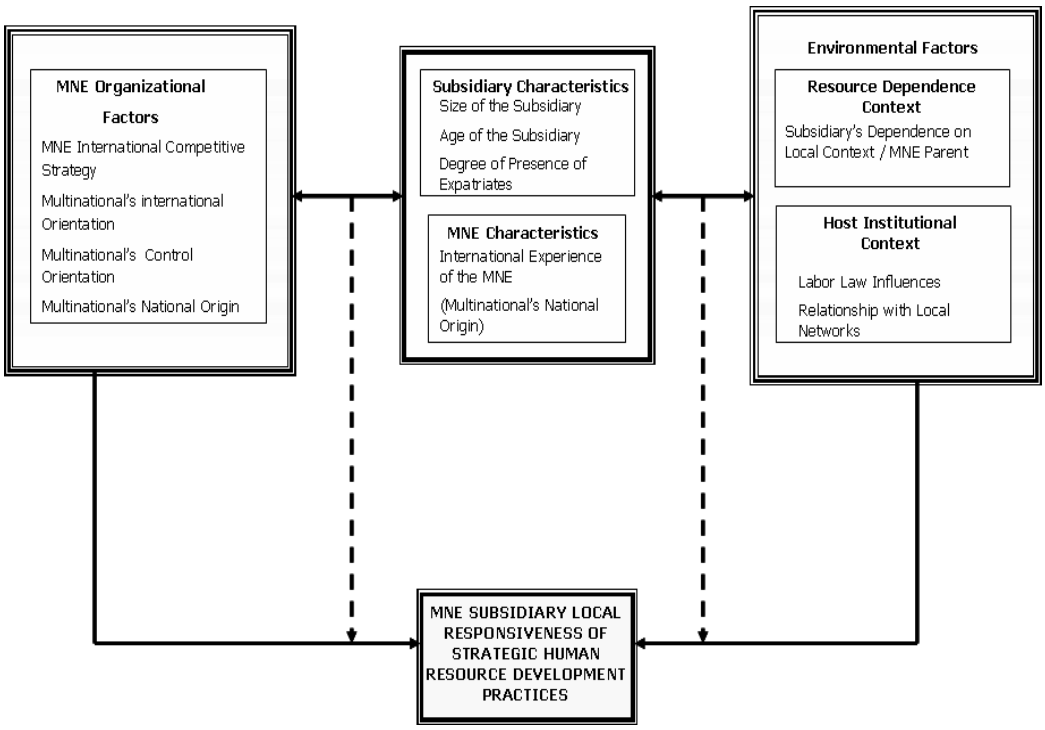


Figure 3.3. A Conceptual Model of Factors Influencing Local Responsiveness of SHRD Practices in MNE Subsidiaries

CHAPTER IV

4 Determinants of Local responsiveness of Strategic Human Resource Development Practices at MNE Subsidiaries in Turkey

4.1 Developments in The World Foregn Direct Investment

The world has experienced three years of decline in the FDI flows between 2000 and 2003 partly due to sluggish growth in developed economies in euro area and in Japan. However, according to United Nations Conference on Trade and Development (UNCTAD) World Investment Report (WIR) 2005, global FDI inflows increased by 27% in 2004. This growth in FDI is attributed to the growth of FDI in developing countries which received 40% increase of inflows to $233 billion. However, the developed countries experienced a 14% drop in their inward FDI. Recognizing the intensive competitive pressures globally, the developing countries tried to find way to improve their competitiveness by lowering their production costs, entering into emerging economies and expanding operations there.

There was an increase by 18% to $730 billion in FDI outflows in 2004, $ 637 billion of which were accumulated to developing countries. Major FDI outflows originated from United States, United Kingdom and Luxembourg. The FDI outflows or amount of investment from European Union declined by %25 to $280 billion however other developed countries increased their investment abroad (WIR, 2005).

After the end of the downturn in FDI and visible growth of FDI inflows in 2004, global foreign direct investment flows also improved significantly by 29% to $916 billion in 2005. (Figure 3.27) The inflows increased both for developed and developing countries however some more growth was visible in the developed than

developing economies. The share of world FDI inflows in developing countries declined to 36%. In terms of the highest recipient of FDI inflows, while the United States was the largest recipient of FDI in 2004, the United Kingdom was number one in 2005 surpassing the United States, China and France.

Inward FDI started to improve in developed economies in 2004 particularly in Germany, the Netherlands and the United Kingdom. Following the order, the United Kingdom, the United States, France and the Netherlands and Canada accounted for 75% of the total FDI inflows to developed countries. On the other hand, inward FDI to developing countries increased by 22% to $334 billion. Flows to West Asia experienced an 84% increase to $34 billion over 2004.

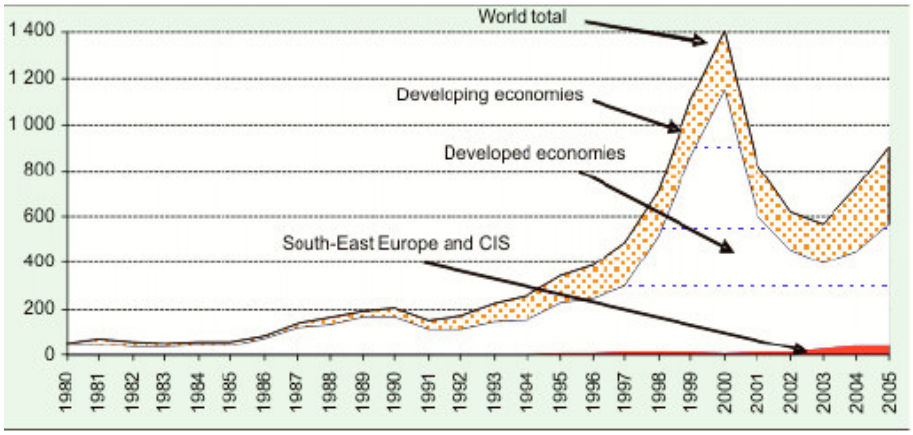


Figure 4.1. Global Inflows Global and by Group of Economies, 1980-2005 (billions of dollars)

From "World Investment Report", by United Nations Conference on Trade and Development (UNCTAD), 2005, based on its FDI/TNC database, www.unctad.org/fdistatistics

There is a steady growth in international investment in services, especially in financial services, which accounts for the bulk of the world FDI stock. Both in terms of the number of countries they operate and in terms of the total number of assets, large TNCs are found in the financial services.

Countries, particularly the developing ones try to develop or redesign new laws and regulations in order to attract more investment to their environment. For instance, more than 20 countries reduced their income taxes to draw more FDI.

FDI inflows to East Asia such as China (Hong Kong) and South Asia such as India have drastically increased. FDI inflows to East Asia increase by %46 to reach $105 billion and to South Asia by 48% to reach $26 billion. According to WIR (2005), the West Asia involving Saudi Arabia, Syrian Arab Republic and Turkey are considered important sources for FDI. It is reported that FDI inflows increased from $6.5 billion to $9.8 billion in the West Asia.

4.2 The Developments in the Area of FDI in Turkey

The first law, aiming at providing incentives for foreign investors to invest in Turkey was enacted in 1954 and was titled as "The Foreign Capital Incentives Law" numbered 6224. It was a liberal law for the time providing a legal infrastructure for foreign direct investment. However, since the enactment of the Law numbered 6224, there were problems with regard to meeting the conceptual and enforcement discrepancies and protecting the rights of the foreign investors under international standards. As a result, the requirement for a new law came into existence. The reason for why the previous Law is called an 'Incentive' Law was because the law involves issues such as profit transfer, equal treatment, etc. that were considered as incentives for the time being. However, due to the developments taking place in the economy in the last 50 years, these issues were not considered as means of incentives rather as generally accepted investment principles. Therefore, the name of the new law was changed to "Foreign Direct Investment Law" so that it fits with international definitions. (Republic of Turkey, Undersecreteriat of Treasury, 2004).

The need for a new law has encouraged Turkish Government of Turkey to enact a "Principle Decision on the reform program for Improving the Investment Climate in Turkey" on December 11, 2001 which has a significant and immediate positive influence on foreign investors. After this step, Improvement of the Foreign Investment Environment Coordination Council (IIECC) has been established in order to remove the regulatory barriers to both local and foreign investment. As a result of the recommendations made by the IIECC Committees, major developments have been achieved for the benefit of foreign investors

One of the early improvements was the enactment of the new law which abolished the previous Foreign Capital Incentives Law. . The new law that replaced "the Foreign Capital Incentives Law" is called ***"the Foreign Direct Investment Law*** numbered 4875***"*** enacted in June 17, 2003. It acts as a legal guide revealing the liberal foreign investment environment in Turkey. Based on the equal treatment principle, the Law helped reduce the bureaucratic procedures to establish companies and also the inequality between foreign and local investors [Turkish Industrialist's and Businessmen's Association (TUSIAD), 2004).

Other improvements related to foreign investment include the redesign of ***"the Commercial Law"*** which eliminates long administrative procedures for the company registration process. The procedural steps to establish a company was reduced from 19 to 3. The law concerning ***"The Employment of Foreigners in Turkey"*** helped foreign personnel obtain work permit much more easily. Through ***"The Registry of Title Deed Law"*** No. 4916, foreign investors are able to acquire new estates. In addition, "the Public Procurement Law" provided foreign investors the same rights and duties with local companies in public procurements.

So, the new Law is an integral part of a broader national reform program that is laying the foundation for sustainable growth and development, driven by private investments in a transparent marketplace fully open to the world and supported by a smaller but more effective state.

When the investment related statistics *before* **"the Foreign Direct Investment No. 4875"** and *after* **"the Foreign Direct Investment No. 4875"** are examined, significant improvements can be seen with respect to the number of foreign capital companies. The increase in the total number of companies with foreign capital was to a small extent such as 4% to 7%-from 447 companies in 2000 to 477 companies in 2001 and to 495 companies in 2002— however starting from the mid 2003 (June 17, 2003) the number of companies with international capital increased to 898 in 2003 and to 2.095 in 2004. The increase in the following years also seemed to be significant (Table 4.1). As of 2007 July, 17,134 companies with international capital have been established.

Table 4.1. Breakdown of Companies with International Capital by Country

(Number of Companies)

Countries	1954-1999 (Cumulative)	2000	2001	2002	2003	2004	2005	2006	January-July 2006	January-July 2007	(1954-2007/July) Total
European Union (25)	**2.158**	**263**	**252**	**227**	**468**	**1.067**	**1.684**	**2.088**	**1.211**	**1.275**	**9.482**
Germany	775	78	65	64	153	383	509	600	338	337	2.964
The Netherlands	338	64	38	44	73	142	214	276	161	150	1.339
United Kingdom	272	31	42	36	67	144	341	487	262	276	1.696
Other European Countries	773	90	107	83	175	398	620	725	450	512	3.483
Other European Countries (Excluding EU)	**501**	**41**	**42**	**48**	**144**	**283**	**349**	**396**	**224**	**291**	**2.095**
Africa	**61**	**4**	**8**	**14**	**30**	**44**	**61**	**42**	**29**	**26**	**290**
North Amerika	**272**	**36**	**38**	**44**	**61**	**108**	**118**	**144**	**75**	**85**	**906**
U.S.A.	254	32	36	40	53	96	104	118	63	67	800
Canada	18	4	2	4	8	12	14	26	12	18	106
Central-South America And Caribbean	**33**	**5**	**6**	**2**	**5**	**12**	**17**	**10**	**8**	**12**	**102**
Near And Middle Eastern Countries	**842**	**65**	**74**	**112**	**270**	**380**	**415**	**438**	**251**	**288**	**2.884**
Azerbaijan	63	7	12	13	38	61	63	87	42	58	402
Iraq	119	10	13	26	40	54	64	78	42	65	469
Iran	269	15	19	26	109	131	126	112	74	62	869
Other	391	33	30	47	83	134	162	161	93	84	1.125
Other Asian Countries	**234**	**24**	**48**	**28**	**112**	**166**	**177**	**180**	**100**	**183**	**1.152**
China	61	10	17	13	46	58	34	27	10	33	299
South Korea	34	3	11	2	15	19	18	13	7	15	130
Other	139	11	20	13	51	89	125	140	83	135	723
Other Countries	**40**	**9**	**9**	**20**	**15**	**35**	**24**	**52**	**34**	**19**	**223**
Total	**4.141**	**447**	**477**	**495**	**1.105**	**2.095**	**2.845**	**3.350**	**1.932**	**2.179**	**17.134**

From "International Direct Investment Information Bulletin", by General Directorate of Foreign Investment, Undersecreteriat of Treasury, 2007 September, Retrieved October 2, 2007 from http://www.hazine.gov.tr/stat/yabser

After new Law, the years from 2004 to 2007 has experienced exponential growth in the net international direct investment flows. The Central Bank of Turkey reports the balance of payment statistics and states the net international direct investment inflow[1] (net) as $2.883 million in 2004, $ 9.801 million in 2005 and $ 20.168 million in 2006. (Table 4.2). The Central Bank of Turkey states the net international direct investment inflow[2] (net) as $ 9.407 million in 2006, Jan-July period and as 12.731 in 2007, Jan-July period indicating a 26 % increase for the same period in 2007 (Table 4.3).

[1]International direct investment inflow includes the net amount of transfers classified as "capital" and "other capital" in the balance of payment statistics of the Central Bank of Turkey, from abroad by the firms operating according to the "Foreign Direct Investment Law No.4875 and transfers for the real estate purchases of foreigners in Turkey.

Table 4.2. International Direct Investment Inflows (Net) by Years

International Direct Investment Total (Net)		
Years	**(Million$)**	**Years**
1995	885	1995
1996	722	1996
1997	805	1997
1998	940	1998
1999	783	1999
2000	982	2000
2001	3.352	2001
2002	1.137	2002
2003	1.752	2003
2004	2.883	2004
2005	9.801	2005
2006	20.168	2006
2006 (Jan)	269	2006 (Jan)
2007 (Jan)	6.106	2007 (Jan)

From "International Direct Investment Information Bulletin", by General Directorate of Foreign Investment, Undersecreteriat of Treasury, 2007 September, Retrieved October 2, 2007 from http://www.hazine.gov.tr/stat/yabser dyyvb_Ocak2007_ENG.xls

Table 4.3. International Direct Investment Inflows (Net) in 2006-2007 (Jan-July)

International Direct Investment Total (Net)		
Years	Million ($)	Years
2006 (Jan-July)	9.407	2006 (Jan-July)
2007 (Jan-July)	12.731	2007 (Jan-July)

Note. From "International Direct Investment Information Bulletin", by General Directorate of Foreign Investment, Undersecreteriat of Treasury, 2007 September, Retrieved October 2, 2007 from http://www.hazine.gov.tr/stat/yabser dyyvb_Ocak2007_ENG.xls

Recently, in the last five years exports have expanded from $36 billion to $86 billion. Foreign direct investment has zoomed from $1 billion to $18 billion. GDP growth has averaged 7% (Power, 2007). Further Power asserts "....*MNEs* are flocking to the country to benefit from workers that cost $500 a month, universities that churn out engineers, and managers who grasp the concept of quality. At the same time, Turkey is starting to build global giants of its own that export products around the globe..."

4.3 Research Design

4.3.1 The Objective of the Research

The objective of this study was to examine the influence of MNE organizational factors, environmental factors, subsidiary characteristics and MNE characteristics on the local responsiveness of SHRD practices of overseas MNE subsidiaries—wholly foreign owned MNE subsidiaries – operating in Turkey around the dimension of international business enterprises. In this respect, the aim was to explore the way the four dimensions influence local responsiveness of subsidiaries' human resources in the Turkish local context and to investigate the strength of the observed relationships. The study tested the influencing dimensions on the SHRD practices through considering institutional theory (DiMaggio and Powell, 1983) and resource dependence theory (Pfeffer and Salancik, 1978). Based on the contingency perspective, the firm unit level contingency variables were examined as to whether moderating variables influenced the relation between independent and dependent variables. In addition, the degree to which the relation was present were also be analyzed. In order to describe and explain the impact of factors on local responsiveness of SHRD practices, all three approaches were considered to be helpful in capturing a wide array of influences.

Two issues will be reminded here, though the issues have been mentioned in Chapter 3 (See section 3.9.). SHRD practices will be discussed within MNEs and so within an internationally broader context. Therefore, matters discussed regarding HRD practices shall be taken into consideration from an 'international' context throughout the text. Human resource practices investigated in the study cover those practices that are related to the assessment and development of an employee's potential. So they will be named as HRD practices throughout the study.

The literature dealing with MNEs and IHRD has declared the need for further research about the opposing pressures of global integration and local responsiveness in the IHRM field. In addition, it has been recognized that while there are valuable literature considering international business enterprises, expatriate staffing and management in MNEs the literature in Turkey about MNEs regarding pressures for

global integration-local responsiveness in business operations requires further exploration. A particularly interesting case to examine was the German, and United States of American (USA), Britain (UK), and the Dutch (the Netherlands) MNEs in Turkey. First, European MNEs has been drawing great attention, as they have been the major MNE home bases. It was also interesting to examine the degree of local responsiveness of HRD practices of these MNE subsidiaries with European and American origins operating in a partially Westernized and oriental country.

The trade off between global integration forced by the MNE headquarters and local responsiveness imposed by the host environment is balanced by a regional headquarters structure. Various points of views have arisen with regard to the role of regional headquarters. For instance, Rugman (2005) and Yeung et. al. (2001) have argued that global corporations increasingly implement regional strategies and establish regional headquarters in order to manage the forces for integration and differentiation. Other researchers discuss that regional headquarters act as a replica of central headquarters. According to Davis (1979) area divisions (regional headquarters) or worldwide product divisions of MNEs are both global scale.

On the other hand, the present study did not deal with regional patterns of business activity. The regional headquarters was not going to be the key within this research framework. Rather, there was a tendency to adopt a view of relationships between headquarters and their foreign subsidiaries. Two reasons were considered for this formulation. First, within the sampling process of this study, it was not possible to distinguish MNE subsidiaries in Turkey in terms of their organizational structures as to whether they have area divisions (regional headquarters) or worldwide product divisions or multi-domestic divisions. This was mostly the case especially for US origin MNEs because some of them possessed the role of a simple subsidiary, others operated both as regional headquarters and a subsidiary within the region. Second, it was not expected to reach a high number of rresponses given to 'regional headquarters' since according to preliminary phone interviews in the data collection process (See section 4.3.6) most of the European origin MNE subsidiaries in the sample were found to be responsible to the central headquarters. The distributions of responses were also presented in the frequency distributions (See Appendix D). So, any influence coming from regional headquarters were incorporated together with

responses pointing to global headquarters influence. The item 'regional headquarters' as a response choice were included within the questionnaire form in order to provide a whole picture of choices for the respondents.

The international business literature recommends that foreign subsidiaries strategic role is influenced by its relation to the MNE headquarters, regional headquarters, other subsidiaries, local business environment. Arising from Davis' (1979) point of view, global integration perspective based on headquarter centered approach where the control and coordination was led by the MNE parent was assumed to pose an influence that has been internal to the MNE. Doz and Prahalad (1986) have also discussed about global integration and adaptation, responsiveness to local market as two opposing forces for MNEs. In addition, they have put forward that the challenge facing MNEs is two forms of controlled variety. One is ***internal variety*** which refers to purposeful competitive actions across markets and businesses within the MNE in order to maintain and enhance the MNE's competitive advantage. Other form is ***external variety*** that is found outside the context of MNE worldwide, embedded in the local-host environments the MNE subsidiaries operate and which calls for flexibility and responsiveness. Therefore, based on Doz and Prahalad's (1986) discussions and Davis' (1979) view, any influence coming from within the MNE was considered as an impact internal to the MNE subsidiaries. Local responsiveness where the control and coordination were decentralized to subsidiaries was assumed to pose an influence that's external to the MNE subsidiaries.

In short, the findings that SHRD practices of subsidiaries developed by the MNE subsidiary itself considering the local environment would demonstrate a variety ***external*** to the subsidiary whereas the fact that the SHRD practices of subsidiaries resemble those of the MNE headquarters or regional headquarters would demonstrate a variety ***internal*** to the subsidiary. The focus was to investigate the degree to which the SHRD practices of MNE subsidiaries resembled the IHRM strategy and practices of their MNE headquarters/regional headquarters (internal influence) or the degree to which they might develop SHRD practices in line with the local needs and norms having some degree of autonomy (external influence). The objective was to achieve a better understanding of factors shaping local responsiveness of SHRD practices within the local Turkish context.

4.3.2 The Research Model Framework and Hypotheses

There were four sets of variables defined as independent, dependent and moderating variables in the conceptual model (See Figure 4.2). MNE organizational factors and environmental factors— resource dependence context and institutional context – made up the two sets of independent variables and the subsidiary SHRD practices make up the dependent variable.

Based on the literature explained in previous chapters, the independent variable set named 'MNE organizational factors' were composed of MNE international strategy, MNE international orientation, MNE control orientation, MNE national origin variables. In addition the independent variable set named 'environmental factors' were developed into two contexts: resource-dependence and institutional contexts. Resource-dependence context included subsidiary dependence on the MNE versus on local resources whereas institutional context included labor law influences, and subsidiary's relationship with local networks. The two remaining sets of variables— subsidiary characteristics and headquarters characteristics made up the moderating variable sets of the study. Subsidiary characteristics involved size of the subsidiary, age of the subsidiary and presence of expatriates in the subsidiary. Headquarters characteristics involved international experience of the headquarters and MNE's National Origin (also tested as a moderating variable, see section 3.9.1). The dependent variable of the study was 'the SHRD practices'. Concerning these practices, recruitment, staffing, performance management, training and career management practices would be examined within the research. So, the conceptual model is presented below in Figure 4.2.

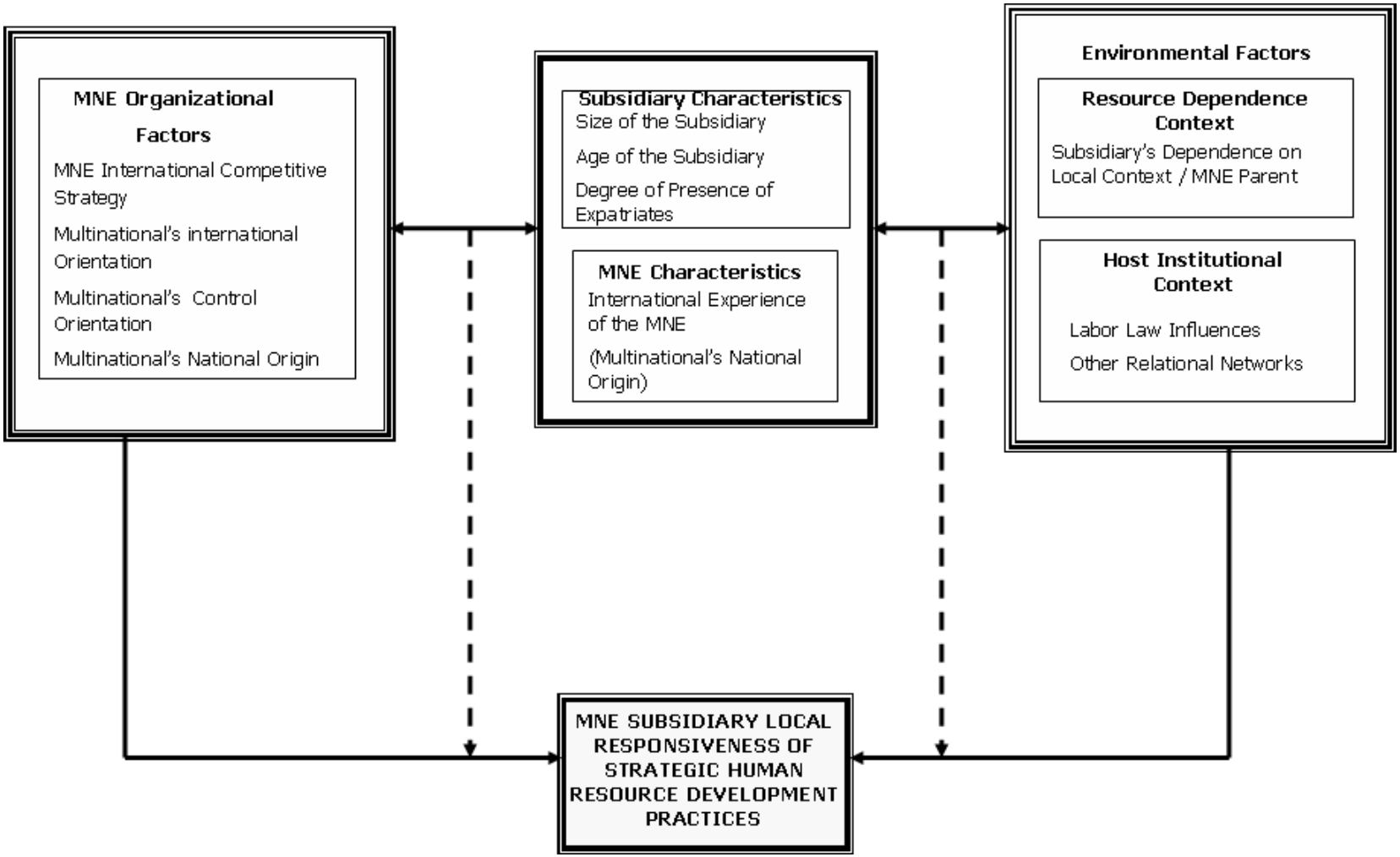


Figure 4.2. A Conceptual Model of Factors Influencing Local Responsiveness of SHRD Practices at MNE Subsidiaries

According to the model, six core hypotheses and the sub-hypotheses of the study are presented as follows:

1. $H_{0:}$ Multinational's organizational factors do not influence the degree to which MNE SHRD practices are adapted to the local environment.

   H_1: Multinational's organizational factors influence the degree to which MNE SHRD practices are adapted to the local environment.

   1.a $H_{0:}$ Local responsiveness of SHRD practices is not dependent on MNE's national origin. There is no difference in local responsiveness of SHRD practices between European originated and American originated MNEs.

   H_1: Local responsiveness of SHRD practices is dependent on MNE's national origin. There is a difference in local responsiveness of SHRD practices between European originated MNEs and American originated MNEs.

   1.b $H_{0:}$ Local responsiveness of SHRD practices is not dependent on MNE's international strategy.

   H_1: Local responsiveness of SHRD practices is dependent on MNE's international strategy.

   1.c $H_{0:}$ Local responsiveness of SHRD practices is not dependent on MNE's international orientation.

   H_1: Local responsiveness of SHRD practices is dependent on MNE's international orientation.

   1.d $H_{0:}$ Local responsiveness of SHRD practices is not dependent on MNE's control orientation.

   H_1: Local responsiveness of SHRD practices is dependent on MNE's control orientation.

2. $H_{0:}$ Environmental factors do not influence the degree to which MNE SHRD practices are adapted to the local environment.

   H_1: Environmental factors influence the degree to which MNE SHRD practices are adapted to the local environment.

   2.a $H_{0:}$ Local responsiveness of SHRD practices is not dependent on subsidiary's dependence on the MNE / local context

   H_1: Local responsiveness of SHRD practices is dependent on subsidiary's dependence on the MNE / local context.

   2.b $H_{0:}$ Local responsiveness of SHRD practices is not dependent on subsidiary's resource dependence on the local environment.

   H_1: Local responsiveness of SHRD practices is dependent on subsidiary's resource dependence on the local environment.

2.c H_0: Local responsiveness of SHRD practices is not dependent on the relational networks the MNE subsidiary has established in the local environment.

H_1: Local responsiveness of SHRD practices is dependent on the relational networks the MNE subsidiary has established in the local environment.

3. H_0: There is no statistically significant relationship between MNE organizational factors and subsidiary characteristics interaction and local responsiveness of SHRD practices.

H_1: There is a statistically significant relationship between MNE organizational factors and subsidiary characteristics interaction and local responsiveness of SHRD practices.

3.a H_0: Local responsiveness of SHRD practices is not dependent on the interaction between MNE organizational factors and size of the MNE subsidiary.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between MNE organizational factors and size of the MNE subsidiary.

3.b H_0: Local responsiveness of SHRD practices is not dependent on the interaction between MNE organizational factors and age of the MNE subsidiary.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between MNE organizational factors and age of the MNE subsidiary.

3.c H_0: Local responsiveness of SHRD practices is not dependent on the interaction between MNE organizational factors and the degree of presence of expatriates in the subsidiary.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between MNE organizational factors and the degree of presence of expatriates in the subsidiary.

4. H_0: There is no statistically significant relationship between MNE organizational factors and MNE characteristics interaction and local responsiveness of SHRD practices.

H_1: There is a statistically significant relationship between MNE organizational factors and MNE characteristics interaction and local responsiveness of SHRD practices.

4.a H_0: Local responsiveness of SHRD practices is not dependent on the interaction between MNE organizational factors and national origin of the MNE headquarters.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between MNE organizational factors and national origin of the MNE headquarters.

4.b $H_{0:}$ Local responsiveness of SHRD practices is not dependent on the interaction between MNE organizational factors and MNE international experience.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between MNE organizational factors and MNE international experience.

5. $H_{0:}$ There is no statistically significant relationship between environmental factors and subsidiary characteristics interaction and local responsiveness of SHRD practices.

H_1: There is a statistically significant relationship between environmental factors and subsidiary characteristics interaction and local responsiveness of SHRD practices.

5.a $H_{0:}$ Local responsiveness of SHRD practices is not dependent on the interaction between environmental factors and size of the subsidiary.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between environmental factors and size of the subsidiary.

5.b $H_{0:}$ Local responsiveness of SHRD practices is not dependent on the interaction between environmental factors and age of the subsidiary.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between environmental factors and age of the subsidiary.

5.c $H_{0:}$ Local responsiveness of SHRD practices is not dependent on the interaction between environmental factors and the degree of presence of expatriates in the subsidiary.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between environmental factors and the degree of presence of expatriates in the subsidiary.

6. $H_{0:}$ There is no statistically significant relationship between environmental factors and MNE characteristics interaction and local responsiveness of SHRD practices.

H_1: There is a statistically significant relationship between environmental factors and MNE characteristics interaction and local responsiveness of SHRD practices.

6.a $H_{0:}$ Local responsiveness of SHRD practices is not dependent on the interaction between environmental factors and the national origin of the MNE headquarters.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between environmental factors and the national origin of the MNE headquarters.

6.b $H_{0:}$ Local responsiveness of SHRD practices is not dependent on the interaction between environmental factors and MNE international experience.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between environmental factors and MNE international experience.

4.3.3 Research Sampling Process

The total population of the study—the foreign capital companies in Turkey— was considerably large so that the research should restricted according to some criteria. *Purposive sampling technique* was used in this research in order to achieve significant and meaningful results with respect to the objective and in order to prevent random and systematic errors. 4 main criteria were taken in specifying the main population:

(1) Percentage of MNE Ownership Stake

(2) Amount of Foreign Equity Capital

(3) The Establishment Year of the MNE Subsidiary

(4) The National Origin of the MNE

In drawing the sample, the database of foreign capital companies provided by Foreign Investors Association of Turkey (YASED) was used. The list included those foreign firms established between Jan 1st, 1954 - July, 18th 2003. But, as of July 2007, 17.134 companies with international capital were registered in the database. Among these, 14.084 companies and branch offices had been established and 3.050 foreign capital participations to the existing companies had been incurred.

The first criterion that was considered to draw the main population was the ownership stake of the MNE. For the purpose of the study, those MNEs which have a minimum of 80 percent ownership stake were drawn. The reason for choosing a minimum of 80 % ownership was that above 80 percent ownership, foreign management control would be so high that it would be called wholly foreign owned subsidiary (Braun and Warner, 2002).

The second criterion was the amount of foreign equity capital. Those MNEs with a minimum threshold of $ 500.000 foreign equity capital were considered within the scope of the study. Turkish Prime Ministry Undersecreteriat of Treasury reported in

its monthly bulletin the breakdown of companies with international capital according to the size of equity capital. The report also pointed the companies specifically with capital values higher than $ 500.000. A recent list of companies with regard to the equity capital categorization was provided below (Table 4.4):

Table 4.4. Breakdown of Companies with International Capital by Country according to Size of Equity Capital (2006-2007/Jan-July.)

(Number of Companies)

Countries	2006					2007(January-July)				
	<50.000$	50.000$ - 200.000$	200.000$- 500.000$	>500.000$	Total	<50.000$	50.000$ - 200.000$	200.000$- 500.000$	>500.000$	Total
European Union (25)	1.281	531	137	139	2.088	752	334	78	111	1.275
Germany	363	162	44	31	600	185	102	26	24	337
The Netherlands	172	58	21	25	276	91	30	8	21	150
United Kingdom	320	133	14	20	487	169	79	15	13	276
Other European Countries	426	178	58	63	725	307	123	29	53	512
Other European Countries (Excluding EU)	242	104	27	23	396	163	80	29	19	291
North Africa	18	5	1	--	24	8	6	--	1	15
Other African Countries	12	5	1	--	18	5	5	1	--	11
North America	91	31	12	10	144	55	16	6	8	85
U.S.A.	75	26	9	8	118	45	10	6	6	67
Canada	16	5	3	2	26	10	6	--	2	18
Central-South America And Caribbean	4	3	--	3	10	10	--	--	2	12
Near And Middle Eastern Countries	231	152	34	21	438	141	101	24	22	288
Azerbaijan	44	35	3	5	87	26	23	3	6	58
Iraq	35	34	5	4	78	30	27	7	1	65
Iran	68	39	5	--	112	33	19	6	4	62
Other	84	44	21	12	161	52	32	8	11	103
Other Asian Countries	106	46	19	9	180	97	48	16	22	183
Other Countries	34	12	1	5	52	11	4	2	2	19
Total	2.019	889	235	207	3.350	1.242	594	156	187	2.179

From International Direct Investment Information Bulletin, by T.C. Prime Ministry, Undersecreteriat of Treasury (Provisional data), http://www.hazine.gov.tr/stat/yabser/aylikbulten_eyluleng.pdf

The third criterion was the age of the MNE subsidiary. Turkey adapted one of the most liberal legislation on foreign capital, in 1954. This legislation for foreign investment consisted of a Law No 6224, concerning "the Encouragement of Foreign Capital". According to Oksay's report (1998) in the Under Secretariat of the Prime Ministry for Foreign Trade, due to the economic imbalances and bureaucratic challenges and inefficient economic policy applications, foreign investment climate was not suitable in Turkey. Developments in foreign investments accelerated since January 1980. Abandoning the traditional policy of etatism-state-sponsored industry with little reliance on foreign investment-Turkey under Özal had taken dramatic steps to lure MNEs. One of the major policy decisions was the adoption of liberal and flexible foreign investment policies. As a result of the changes in the foreign investment legislation, the investment climate was made more efficient and suitable for potential investors, starting with the 1980s. During the period in which foreign investment took place starting from 1981, many MNEs entered the Turkish market with increasing level of investments. Therefore, it was considered to be more suitable

to select those multinational companies that have been established as of January 1, 1981 and on (Table 4.5). Secondly, an upper age limit was determined for drawing the list of companies. Those companies that had been established until the end of December 31, 2002 were considered within the scope of the study. Those establishments starting from January 1, 2003 until today were outside the scope of the study. Despite different view points about the period required to develop a corporate HR department and HRM practices in a company, a minimum of 5 years was accepted as a satisfactory timeline for establishing the HRM system.

The final criterion was the national origin of the MNE headquarters. The list of foreign companies with Germany, the Netherlands, the United Kingdom (UK) and the United States of America (USA) origin were selected. The data for the number of companies as of year 2006 and January 2007 in the International Direct Investment Information Bulletin of Undersecreteriat of Treasury (2007, June) indicates that Germany was the leading home country in terms of maintaining the highest number of MNE subsidiaries in Turkey. Germany was followed by the United Kingdom and the Netherlands (Table 4.4). The United States of America (US) was also selected to examine the American influences in HR in Turkish local context. In addition, data from American and British MNEs and German and Dutch MNEs would elicit comparative analyses between American and European context.

Table 4.5. Foreign Direct Investment Inflows to Turkey by Year[3] [4]

YILLAR	İZİN VERİLEN YABANCI SERMAYE (MİLYON ABD $)	YATIRIM BELGELERİNİN TOP.YAT. TUTARI (MİLYAR TL)	YABANCI SERMAYELİ FİRMA SAYISI (KÜMÜLATİF)(**)	FİRMALARIN TOPLAM SERMAYESİ (MİLYAR TL - KÜMÜLATİF)	FİİLİ GİRİŞ (MİLYON $)	YEARS
1980	97,00	76,87	78	28.390	35	1980
1981	337,51	72,16	109	47.400	141	1981
1982	167,00	218,14	147	100.196	103	1982
1983	102,74	199,22	166	147.109	87	1983
1984	271,36	312,28	235	254.775	162	1984
1985	234,49	1.168,16	408	464.981	158	1985
1986	364,00	3.099,74	619	707.164	170	1986
1987	655,24	3.179,53	836	960.035	239	1987
1988	820,52	5.468,27	1.172	1.597.103	488	1988
1989	1.511,94	9.507,35	1.525	4.847.832	855	1989
1990	1.861,16	18.249,28	1.856	7.943.775	1.005	1990
1991	1.967,26	15.893,98	2.123	13.101.036	1.041	1991
1992	1.819,96	17.976,36	2.330	23.441.214	1.242	1992
1993	2.063,39	70.136,27	2.554	36.737.050	1.016	1993
1994	1.477,61	37.202,36	2.830	62.449.964	830	1994
1995	2.938,32	328.447,82	3.161	113.013.790	1.127	1995
1996	3.835,97	1.250.652,13	3.582	235.971.182	964	1996
1997	1.678,21	624.461,10	4.068	458.968.459	1.032	1997
1998	1.646,44	1.016.653,54	4.533	823.560.554	976	1998
1999	1.699,57	1.599.520,36	4.950	1.446.503	817	1999
2000	3.477,42	7.883.004,85	5.328	3.063.464	1.719	2000
2001	2.725,28	2.568.750,00	5.841	6.184.411	3.288	2001
2002	2.242,92	1.535.599,00	6.280	10.092.737	590	2002
2003(*)	1.207,99	2.161.400,68	6.511	12.605.285	150(***)	2003
TOPLAM	***35.203,30***	***19.151.249***	---	---	***18.085***	***TOTAL***
	AUTHORIZED FDI (MILLION $)	TOTAL AMOUNT OF INV. AT INVESTMENT CERTIFICATES (BIL. TL)	NO. OF FOREIGN CAPITAL COMPANIES	TOTAL CAPITAL OF FOREIGN CAPITAL COMPANIES (BIL. TL)	REALIZATIONS (MILLION $)	

[3]* as of June 2003 ** Cumulative *** Jan-May 2003

From International Direct Investment Information Bulletin, By Years of Foreign Capital Investments (1980-2003), by T.C. Prime Ministry, Undersecreteriat of Treasury, http://www.hazine.gov.tr/stat/yabser/

In addition, Turkey, harboring both the Eastern and Western influences within the society, was currently in a transitional state in economical, political and social terms. Therefore, it would be noteworthy to examine both the diversified parent influences and host environment pressures as the subsidiaries tried to manage their host national human resource pool.

On the basis of the four criteria considered above, 158 foreign capital companies were registered in the YASED database. Some preliminary work was conducted such that each MNE subsidiary was telephoned in order to get recent information about the current situation of these firms. Additionally, taking a prominent place in the research, other preliminary inquiry was to learn the firm's general standing of the HRM among other business operations and whether the HRM practices were integrated and MNE pursued a strategic view point of HRM. As a result of the

[3] International direct investment inflow includes the net amount of transfers classified as "capital" and "other capital" in the balance of payment statistics of the Central Bank of Turkey, from abroad by the firms operating according to the "Foreign Direct Investment Law No.4875" and transfers for the real estate purchases of foreigners in Turkey.

[4] Important: All types of permits issued by General Directorate of Foreign Investment are abolished by Foreign Direct Investment Law No.4857 enacted on June 17, 2003. Therefore, any statistics on base permits will not be published from this date on.

information gathering preliminary research it was found that 5 of the 158 firms were closed down. For 10 companies, the amount of foreign equity capital demonstrated in YASED was much less than 80 %. 5 of them were taken over by Turkish capital and 3 merged with local firms. For 14 companies, some employed people less than 50, did not have any HR departments and usually hired local employment agencies for HR related issues such as staffing, training, etc. Because the research also tried to ensure that the MNEs should have a minimum number of 50 employees to be included in the study assuming that MNEs with less than 50 employees might not execute HR related issues. Having removed these firms, 118 firms were left over. However among the 118, 14 of these firms' HR departments reported that the HR practices were somehow executed in the firm but not in an integrated way and that HR was considered more as an operational rather than a strategic function. As a result of the information gathering, 107 MNEs constituted the main population of the study.

4.3.4 Data Collection Methodology

Determining the measurement tool(s) used in a research is important as equally as determining the scope and strategy of the research. According to the research, the objective was to collect more factual data— rather than perceptual—about the organizational and environmental factors and how the HRM operations in subsidiaries were executed. Field-based research, based on interviews with managers at the subsidiary was considerably difficult to conduct due to the excess number of companies. The research instrument best applicable to this research was a *questionnaire* that enabled receiving factual data from a large number of firms.

Because the questionnaire form involved questions, the answers of which could be widely known and coordinated by managers occupying higher organizational levels in the hierarchy, middle or upper-level managers were included in the research. Since only one return for this particular survey was required and obtained from each company, the unit of analysis for the research was 'MNE subsidiaries'.

The first step before delivering the form to companies was to make a preliminary phone interview with general manager, assistant general manager (responsible from

HR or Personnel), human resource/personnel directors, or human resource/personnel managers. After being in agreement with the firm manager or director about participating in the research, the survey forms with an invitation letter were sent to the related contacts via e-mail or fax. Because mail surveys have a record of low response rates (Harzing, 1997) further follow-up was required. Four wave follow-ups were conducted, the first being the survey forms sent with an invitation letter. In the second and third wave, telephone calls were made to each company every two weeks for reminding purposes. The final wave involved re-mailing to each company. The data collection process started in January 20, 2007 and ended in June 15, 2007. The research was designed in such a way that each MNE participating in the study was expected to return only one form back since the form involved factual not perceptual question items.

107 wholly foreign owned companies made up the main population of the research. As a result of the data collection process, 52 firms participated in the study. The size of the response rate was 48%. Normally a higher response rate would be desired, however the normal response rate of Eastern countries or Asian countries are lower than that of the Western (Ngo, et al., 1998). Further more, previous evidence indicated that a response rate even between 25-35 % would not impair the statistical significance of the research (Brewster et. al., 1994; Gooderham, Kvitastein, Nordhaug, 1996 for a detailed description). 48% response rate in this case, can be considered to be satisfactory.

The questionnaire form used in the research was composed of 5 parts. On the front of the questionnaire form was a cover letter explaining the study and involving some instructions. Part I involved questions for receiving general information about the company (i.e. national origin, number of employees, business sector, human resource function, etc.). Part II covered questions about the human resource development practices of the MNE subsidiary. Part III involved questions about the MNE strategies and decision-making authorities in the MNE. In Part IV, questions related to the resource-dependence positions of the MNE subsidiaries were present. Finally Part V was composed of questions regarding the relationship between MNE subsidiary and local networks. At the end of the questionnaire form, there was also a

small section asking the respondents demographic information regarding their education level, job and work experience.

The measurement scale used in the questionnaire form was *categorization* except for the *ordinal scale* used in Part V only. The measurement scale involved *non-preference* measurement except for the *preference* measurement used in Part V only. Generally the respondents were asked to judge which alternative fits best to the question without reflecting any personal preference toward the alternatives or options. Only in Part V, the respondents were asked to score their perceptual point of view regarding the questions in consideration.

Regarding the response method, Part I to Part IV consisted mostly of questions with multiple-choice single response scale in the questionnaire form. The important point in all multiple-choice questions was to encompass the primary alternatives in the responses (Cooper and Schindler, 2003). Therefore, the aim was to cover as many possible alternatives as possible. The way the answer options were presented in the scale was developed inspired from the previous studies Karadeniz (2006), Finnegan and Longaigh (2002) and Ghoshal and Nohria (1989). Attention was also paid not to lengthen the questionnaire form with too many exhaustive categories. In addition, "other" category was also added to the response options. In Part V, the ordinal scale was used which consisted of statements that express either a ranking order toward the frequency of the item in question. The measurement scales in the questionnaire form were tested and approved through reliability and validity tests.[5]

4.3.5 Developing the Determinants for Local Responsiveness of SHRD Practices

As examined in literature, there have been many various dimensions explored by researchers as to examining the relation between the dimensions and the international HRM in MNEs and to developing integrative IHRM models. On the other hand, when examined it has been noticed that these seemingly different variables are actually similar, however they are only used under different categories. A summary

[5] The survey form was developed in Turkish and was also translated into English in case foreign managers answered the items in the form. The translations into English and back-translations into Turkish were conducted two times by a translator. Finally the original form and translated form were compared so that any mismatching items would be deleted.

of the recent qualitative and quantitative research on international HR is presented below demonstrating the focus of the studies, the data collection methodology and measurement tools used (Table 4.6). The research (Bartlett and Ghoshal, 1989; Schuler et al., 1993; Hannon et. al., 1995; Taylor et al., 1996; Jakobsen and Rusten, 2003; Karadeniz, 2006) has been examined in terms of the linkages between IHRM policies and practices and different variables. So, 4 main variable groups were developed for the study each of which was consisted of different factors as shown below:

MNE organizational factors: MNE international strategy (e.g., Harzing and Ruysseveldt, 2004; Ondrack, 1985), MNE international orientation (e.g., Harzing and Ruysseveldt, 2004; Perlmutter; as cited in Heenan and Perlmutter, 1979), MNE control orientation (e.g., Tregaskis, 1998; Ferner, 1994; Bartlett and Ghoshal, 1987; Perlmutter, 1965), MNE national origin (e.g., Taylor et al., 1996; Ferner, 1994, 1997)
Environmental factors: subsidiary's dependence on the local context/MNE (e.g., Hatch, 1997), influence of labor law (e.g., Myloni et. al., 2004; Ferner, 1994), subsidiary' relationship with other networks (e.g., Hannon, et. al., 1995)
Subsidiary characteristics: age (e.g., Myloni et. al., 2004) and size of the subsidiary and presence of expatriates in the subsidiary (e.g., Rosenzweig and Nohria, 1994).
MNE characteristics: MNE international experience (e.g., Harzing and Ruysseveldt, 2004).

Table 4.6. Research on the Headquarters-Subsidiary Relationships and IHRM

Researcher(s)	**Ghoshal and Nohria (1989)**	**Schuler, et. al. (1993)**	**Hannon et al. (1995)**	**Taylor et al. (1996)**
Focus	Internal Differentiation Within Multinational Corporations	An Integrative Framework of SIHRM	Determinants of international human resource strategy	An Integrative Model of Strategic International HRM
Data Collection	Questionnaire	Survey	Survey	
Variables/Factors	• Technological dynamism • Competition • Local resources • Centralization • Formalization • Socialization	• Industrial characteristics • Country/regional characteristics • Structure of international operations • Headquarters international orientation, • Competitive strategy • Experience in managing international operations	• IHR Strategy • Inter-organizational Interdependence • Dependence on Parent's Resources • Dependence on Local Resources • Dependence on Host Institutions • Ownership	• International strategy • Top management's perception, • National origin, • The relative strategic importance of the affiliate • Type of investment • Host-legal and socio-cultural factors •

Table 4.6. (continued) Research on the Headquarters-Subsidiary Relationships and IHRM

Researcher(s)	**Chang and Taylor (1999)**	**Luo (2001)**	**Finnegan and Longaigh (2002)**	**Jakobsen and Rusten (2003)**
Main Focus of the Study	Factors determining the degree and type of control used by MNEs.	Determinants of local responsiveness	Information and technology influencing the level of integration between headquarters and subsidiaries	The autonomy of foreign subsidiaries: An analysis of headquarters-subsidiary relations The headquarters-subsidiary relations in MNEs
Data Collection Methodology	Survey	Survey	Interview Questionnaire	Survey
Variables/Factors	• Effect of Ownership • Relative Importance of the Subsidiary to its Parent • Effect of Owner Nationality	• Environmental Complexity • Business Practice Specificity • Cultural Distance • Competition Intensity • Market Orientation • Previous Experience • Established Network	• Information Technology • Control and Coordination Mechanisms	• Size of the subsidiary • Sector of the subsidiary • Year of subsidiary establishment • Subsidiary formal position • Value chain linkages • Motives • Ownership nation

These variables under the four categories actually reflected the dimensions examined in the studies of Schuler et al. (1993) and Taylor and Beechler (1996), Perlmutter, (1969), Hannon et al. (1995), Prahalad and Doz (1987), Rosenzweig and Nohria (1993), Jakobsen and Rusten (2003), Karadeniz (2006), Ghoshal and Nohria (1989), Bonache (2000), Luo (2000). Most of the items used to test the factors determining the SHRD practices were adopted from the items that have been used by these researchers. Besides, as mentioned before the measurement scale in the survey form was developed such that it heavily involved *non-preference* measurement; the *preference* measurement (perceptual data) was also used but to a small extent. The respondents were asked to provide factual information and decide which alternative fits best to the question without reflecting any personal preference toward the alternatives or options. In addition, new items were added to the measurement instrument through the light of the studies in literature and they were also tested in the pilot study (N=16) and some of the items which were considered to reduce the reliability scores of the instrument were eliminated.

4.3.6 Operationalization of Variables

The operationalization of variables under four dimensions are summarized below:

A. MNE organizational Factors. This variables set included five main variables; International Business Strategy, Multinational's International Orientation, Multinational's Control orientation, Multinational's National Origin. Below, how each variable is measured is explained.

Multinational' International Business Strategy. This variable was aimed to be tested with 4 questions. All four questions were developed on the basis of the research in literature (Ghoshal and Nohria, 1989). Some questions to test the variable were "The research and development activities in your organization (subsidiary in Turkey) are executed by the headquarters alone/the headquarters and regional headquarters working closel,etc. The pilot study found the reliability score of this variable as greater than α=.60 (see Table 4.7).

Multinational's International Orientation. Mainly 4 questions were developed for this variable. One of the questions was based on the study by Karadeniz (2006) and other three questions were developed in line with literature studies. One example question to test this variable was :"Who determines the career and succession planning of top management (directors, ass. gen. mngrs., etc.) in your organization (subsidiary in Turkey)?" The term 'expatriates' or 'top management' within the questionnaire covered only those executives who occupy positions of 'Director', 'Group Manager', 'Assistant General Manager' and 'General Manager' and those equivalents. The questions testing the variable were examined through pilot-study. The pilot study found the reliability score of this variable as greater than α=.60 (see Table 4.7).

Multinational's Control Orientation. This variable was aimed to be tested with 6 questions. The questions were developed in line with the studies in literature and based on studied from Chang and Taylor (1999) and Ghoshal and Nohria (1989). An example question to test the variable was "Which party decides on the investment decisions in your organization (subsidiary in Turkey)?". According to the pilot study,

the reliability score of this variable was found to be much greater than α=.60 (see Table 4.7).

Headquarters' Nation Origin. 1 question tested this variable, which was stated as "The national origin of your organization (subsidiary in Turkey)?".

B. Environmental Factors. This variable set included six main variables; dependence of the subsidiary on the MNE/local context, labor law influences, subsidiary's relationship with local networks.

Dependence of The Subsidiary on the MNE vs. Local Context. 5 questions were utilized to test this variable. 2 of the questions were based on Luo (2000). The rest 2 questions were developed in accordance with the literature provided by authors such as Hannon et al. (1995), Schuler et al. (1993), Rosenzweig and Nohria (1993). Some examples to test the variable was: "From where does your organization (subsidiary in Turkey) heavily derive its know-how and best practices?" / ". From where does your organization (subsidiary in Turkey) heavily derive its technology?".

Labor Law Influences. 2 questions were used to analyse this variable. Both 2 questions were developed in line with the literature studies. [One of the questions was, "Regarding new employment practices (working hours, vacation policy, trial period) based on new Turkish Labor Code and Job Security Act (No.4857) which of the following does your organization (subsidiary in Turkey) implement?".]

Relationship with Local Networks. 6 questions were developed to test this variable. All questions were based on and inspired from the literature provided by authors such as Luo (2001). One example to test this variable was "Generally speaking, how can you describe the relationship that your organization (subsidiary in Turkey) maintains with its customers and consumers?". According to the pilot study, the reliability score of this variable was found to be much greater than α=.60 (see Table 4.7).

SHRD Practices This constituted the dependent variable of the research. Given the research literature, additional to other business practices ranging from manufacturing

to finance, IHRM practices of MNEs would be considered to face the pressures for global integration and local responsiveness. Based on the I/R Framework of Prahalad and Doz (1987), mainly 7 questions were processed. 5 questions were developed based on the study conducted by Karadeniz (2006). The remaining 2 questions were developed under the light of the studies in literature. The questions were measured by multiple-choice single response scale as developed by Karadeniz (2006). An example is presented as: "Which party develops employee staffing process that is used in your organization?" or "How do you describe the management of career planning in your organization (subsidiary in Turkey)?" According to the pilot study, the reliability score of this variable was found to be greater than α=.60 (see Table 4.7).

As mentioned above, in order to test the reliability and validity of the measurement instrument, a pilot study was conducted with a smaller sample (N=16) of MNEs which have been drawn from the [Foreign Investors Association of Turkey (YASED), 1954-2003] taking the sampling criteria into consideration. Below the reliability scores and validity estimates of the measurement instrument is presented.

4.3.7 The Reliability and Validity of the Measurement Instrument through a Pilot Study

Before starting a research with a good measurement tool, there remains a necessity to evaluate the accuracy or precision of the tool. Two of the major criteria to test this issue are ***reliability*** and ***validity*** of the measurement instrument. As an essential step for the research, before conducting the instrument on the total sample of the study, a pilot study was conducted to test the reliability and validity of the items in the instrument.

The ***reliability*** refers to the consistency of measurement or the degree to which a measurement tool or instrument measures the same way each time it is used under the same condition with the same subjects. Reliability is actually estimation, not measurement. It is concerned with estimates of the extent to which a measurement instrument is free or random error. Reliability estimations help the researchers satisfactorily draw conclusions, formulate theories or make claims about the generalization of their research. Although, there are different types of reliability

estimations in research i.e. internal consistency, stability, equivalence, internal consistency is the most commonly used type for researchers. ***Internal consistency*** estimates the homogeneity among the items in the measurement instrument. The main idea behind internal consistency for estimating reliability is that since each item in the instrument is aimed at measuring the same variable then the responses given to these items are expected to be similar with one another. At the interval level of measurement, *Cronbach's coefficient alpha* is the most commonly and extensively used index for multi-item scales. On the other hand, for nominal or dichotomous items, *Kuder-Richardson Formula 20 (KR20)* is the other frequently used example.

The perspective used in this study in order to measure reliability was *internal consistency* approach. The Kuder Richardson Formula (20) and Cronbach's coefficient alpha were the two frequently used examples in this approach. This study has been conducted by a measurement instrument (questionnaire) involving mostly nominal, dichotomous data with a few ordinal data. For data at the ordinal level of measurement, the reliability scores will produce *Cronbach's coefficient alpha* scores. For nominal and dichotomous data the statistical package will calculate KR 20 instead of Cronbach's alpha. Still, the scores can be interpreted in the same way as Cronbach's alpha (Bryman and Cramer, 2006).

This research was conducted with SPSS (Statistical Package for Social Sciences) for Windows and for the reliability analysis, the coefficient alpha either as Cronbach's alpha or KR 20 was estimated with SPSS Windows. It helps to conduct an item analysis for the scale in order to determine which items should be discarded and enables to see the level of coefficient alpha if any of the items is deleted. By this way, those item or items that are presented as reducing the KR-20 are eliminated. The coefficient alpha scores for the variables are presented in Table 4.7. As examined from the table, the reliability estimates (without deleting any items) varied between .789 and .886[6] [7](See Appendix C1 and C2 Reliability and Item Total

[6] In reliability analysis, the item to total correlation coefficient shall not be negative and is even better when the coefficients are bove .25. Those items that do not match this principle should be removed from the questionnaire. However, this is not an absolute rule. In order to remove an item from the questionnaire, the variation in alpha if item deleted should be examined. When the negative coefficients are removed from the questionnaire, if general alpha coefficient increases then that item is supposed to decrease the reliability of the instrument but if alpha coefficient decreases then that item is an indispensable item for the instrument. In this respect, those items that are found to decrease the alpha coefficient and that have negative and less than .25 item total correlation coefficient are removed from the questionnaire in order to improve the reliability of the questionnaire.

Statistics). These reliability coefficients demonstrated that measures had considerably high reliability.

Table 4.7. The Scores of Reliability Estimates for all Variables

Variables	Number of Items Testing the Variable	KR 20	Possible Deleting Items	KR 20 If Items Deleted
Strategic IHRD Practices	7	.813	-	.813
MNE International Strategy	4	.803	-	.803
MNE International Orientation	4	.840	-	.840
MNE Control Orientation	6	.778	Q11	.834
Subsidiary's Dependence on the MNE/Local Context	5	.812	Q38	.884
Labor Law Influences	2	.789	-	.789
Other Relational Networks	6	.771	Q51	.886

Note. The variable is to be eliminated if the alpha/KR-20 score is < .60.

Reliability score ranges from 0 to 1 with values of .60 to .70 deemed the lower limit of acceptability (Hair, Anderson, Tatham, & Black, 1998[8].). The accepted alpha/KR-20 score will be considered as .60. In addition, this study attempts to develop a new measurement scale which could be a starting point for future studies. Therefore, the reliability coefficient .60 was considered as lower limit of acceptability.

For each variable or dimension, the reliability scores were estimated under the cases where each item was deleted. Considering pilot study for all the variables', KR-20 scores were considerably high. There were 3 items which were deleted as the elimination would increase the α score. Normally, deletion of an item would increase the reliability score of a variable closer to 1, however that item might be very important in terms of validity –relevance and what is aimed at measuring. As

[7] In addition, when KR-20 or cronbach alpha if item deleted is found negative, this implies a negative average covariance among items. This is the case when the sum of the individual item variances is greater than the scale variance. The first thing that should be checked is to see whether data or item coding errors are responsible. A common problem of this type is that the scale consists of some items that are worded in opposite directions to alleviate response biases, and the researcher has forgotten to appropriately recode the reverse scored items, resulting in negative covariances where the actual covariances of interest are positive. Another possibility, most likely with small sample sizes and small numbers of items, is that while the true population covariances among items are positive, sampling error has produced a negative average covariance in a given sample of cases (See Nichols, D. P., (1999), My Coefficient α is negative, SPSS Keywords, 68, Retrieved June, 8, 2007 from www.ats.ucla.edu/stat/SPSS/library/negalpha.htm.

[8] See.Hair, J F, Anderson, R. E., Tatham, R. L. and Black, W. C. (1998) *Multivariate Data Analysis* USA: Prentice Hall.

Cooper and Schindler (2003) have asserted as long as a measurement is not valid, it is not so crucial if it is reliable. Therefore, in such a dilemma of sacrificing from validity or reliability, validity is given higher priority.

Having estimated the reliability scores for the pilot-study, the validity of the measurement tool shall now be explained. The validity of an instrument were as important as reliability in the sense that it shows the ability of the research instrument to measure what it aims at measuring (Cooper and Schindler, 2003). There are basically three forms of validity. *Content validity* refers to the degree to which the content of the items in the instrument adequately represents all relevant items under study. Content validity is based on judgment and can be determined having related persons judge how well the instrument covers investigative questions under study, whether it is too narrowly defined or not. Criterion related validity is reflected in two forms: predictive validity which estimates prediction of the future and concurrent validity which estimates description of the present. For predictive validity, criterion data are measured after the passage of time and for concurrent validity, criterion data are available at the same time as predictor scores. Criterion-related validity is more difficult to measure since the researcher would need another criterion data to correlate the scores. In construct validity, how the constructs are operationally defined should correspond to an empirically grounded theory (Cooper and Schindler, 2003).

In this study, by conducting estimations on content (face) validity, it was possible to view how the data received from the measurement tool were able to test the variables being measured. First, the questionnaire was presented to the three managers working for different MNEs for their judgment and feedback about whether the items in the questionnaire were meaningful and important for the research objectives. By this way, it was possible to develop the content (face) validity of the questionnaire. The reliability and validity estimations of the measurement instrument were made throughout pilot-study. The questionnaire was then realigned in accordance with these analyses.

4.3.8 The Reliability Analysis of the Measurement Instrument for the Whole Sample

As explained in the previous section, the reliability and validity estimations of the measurement instrument through pilot-study helped to make any changes on the questionnaire in accordance with these analyses. In addition, the reliability of the data should also be estimated on the basis of the data received from the sample (n=52). The reliability scores of the sample are presented in Table 4.8. below:

Table 4.8. The Reliability Scores of Variables for the Total Sample

Variables	Number of Items Testing the Variable	KR 20	Possible deleting items	KR 20 If Items Deleted
Strategic IHRD Practices	7	.751	Q19	.779
MNE's International Strategy	4	.678	-	.678
MNE's International Orientation	4	.594	Q15	.740
MNE's Control Orientation	5	.775	-	.775
Subsidiary's Dependence on the MNE/Local Context	4	.716	-	.716
Labor Law Influences	2	.831	-	.831
Other Relational Networks	6	.806	Q42	.922

Similar to the pilot study reliability estimations, the internal consistency approach would be used to determine the reliability scores for the research and Cronbach's coefficient alpha and Kuder Richardson Formula 20 (KR 20) were be used for the ordinal/ratio and dichotomous/nominal data respectively. 3 items were found to decrease the reliability scores and were not be used in the future analyses of the research. Having eliminated these items, the reliability scores for the total sample of the research will vary between .678 and .922 (Table 4.8). Values demonstrate that the measures have reasonably high reliability coefficients.

4.3.9 Data Analysis and Data Set

The purpose and type of the research questions corresponded to a general type of statistics used in a study. Descriptive statistics summarize data without making generalizations to a larger population. When the general purpose of the study is to explore relationships between two variables, then inferential statistics are used. Inferential statistics are appropriate for type of research questions that are difference inferential or associational inferential. Difference inferential statistics are used for

issues testing the differences between groups. Associational inferential statistics are used for relationships between variables or the strength of those relationships. Inferential statistics help researchers make generalizations about the population beyond specific sample data.

The purpose of this research is to draw ***descriptive non-inferential and inferential statistics***. On the basis of the dependent variable at the nominal level of measurement and independent variables with three or more levels used within the measurement tool in this research, ***Cross-Tabulations (Cross-Tabs)*** and ***Chi-Square test (χ^2)*** (*2x2 Test of Independence*) were the most comprehensively used analyses. 2x2 test of independence is a chi-square calculation used for comparing frequencies of one attribute variable for different values of a second attribute variable. Cross-tabulations and chi-square test are considered to be within the pool of bivariate analyses which enables examining the relationship between two variables (Babbie, et. al., 2003).

Cross-Tabulation Before testing the statistical significance of a relationship between two variables, cross-tabulation helps to demonstrate the presence or absence of a relationship. In the analyses, the cross-tabulation of two variables was presented within a table often referred to as a contingency table. A panel of associated statistics and measures for each value of the layer factor were be developed (Babbie, et. al., 2003).

The Chi-Square (χ^2) After demonstrating cross-tabulation within the contingency table, the question of whether there really is a relationship or no relationship between the these two or whether the relationship had arisen by chance (such as sampling error) is calculated by chi-square test. When the latter is the case, concluding a relationship will imply that an erroneous inference is made and the findings can not be generalized to the population (Cooper and Schindler, 2003). Therefore, in the analyses of the dissertation, the chi-square tests were also used in order to test the probability that there was a relationship between the two variables in the population from which a sample was derived.

The formula for the Chi-Square test is as follows:

Chi-Square Formula

$$\chi^2 = \sum_i \sum_j \frac{(O_{ij}-E_{ij})^2}{E_{ij}}$$

In which,

O_{ij}= Observed number of cases categorized in the ijth cell

E_{ij} = Expected number of cases under H_0 to be categorized in the ijth cell.

k= the number of categories.

Degrees of freedom (d.f.) = the number of categories in the classification minus 1 or

d.f. = k-1

With the chi-square contingency tables of the two-sample or k-sample variety, the number of categories in rows and in columns will be calculated. Then d.f. is defined as

d.f. = rows minus 1 (r-1) times columns minus 1 (c-1) or
d.f. = (r-1).(c-1)

While tests of statistical significance determines whether there was a relationship between variables or not, they do not measure the strength of the relationship. But measures of association answered the question to 'how strong is the relationship?' ***Phi coefficient (ϕ)*** and ***Lambda (λ)*** are statistics for measures of association. (Babbie, Halley and Zaino, 2003).

Lambda value tests the strength of association of the cross tabulations when the variables are measured at the nominal level. Values range from 0 (no association) to 1 (the theoretical maximum possible association). ***Asymmetric lambda*** measures the percentage improvement in predicting the dependent variable. ***Symmetric lambda*** measures the percentage improvement when prediction is done in both directions (Babbie, et. al., 2003).

Phi Coefficient is a measure of the degree of association between two binary variables, if both variables instead are nominal and dichotomous. This measure is

similar to the correlation coefficient in its interpretation. Two binary variables are considered positively associated if most of the data falls along the diagonal cells. In contrast, two binary variables are considered negatively associated if most of the data falls off the diagonal. The phi value should range from 0 to 1 (Rea and Parker, 1992). They also proposed than a phi coefficient (ϕ=.50) shows that there is a relative strong association between two variables whereas (ϕ=.35) indicates a moderate association.

Examination of the relationship between two variables would be too limited to end up by not rejecting or rejecting the null hypotheses. Therefore, there could be more than one factor or independent variable having an impact on the dependent variable(s). This simultaneous analysis of three or more variables is called ***multivariate analysis*** which was as well used for this study. In addition to examining the relationship between subsidiaries' local responsiveness of SHRD practices and MNE organizational and environmental factors, other variables were also considered to search for any moderated relationships. By this way, it would be avoided to infer any significant findings to the whole sample, if in fact the significant findings only applied to a portion of that sample (Bryman and Cramer, 2006; Babbie, et. al., 2003). When the third variable was found to have an impact on the relationship, the term 'interaction' effect was used to explain the situation in which a relationship between two variables differed substantially for different categories of the test variable (Bryman and Cramer, 2006).

4.3.9.1 The Data Set

The data set that were finally used—after necessary eliminations with respect to the reliability and validity analyses- to analyze the variables is explained as follows:

Dependent Variable Local responsiveness of SHRD practices was the dependent variable of the study. The dependent variable was aimed to be tested by questions 13, 14, 16, 17, 18 and 21.

Independent Variables Within the dimension 'MNE organizational factors', multinational's international strategy was measured by questions from 32 to 34 in

Part III; multinational's international orientation was measured by questions 20, 22 and 30. Multinational's control orientation was tested by questions from 25 to 29 in Part III. Multinational's national origin was measured by the first question in Part I. Within the dimension of environmental factors, dependence of the subsidiary was tested by questions 35, 36, 38 and 39 in Part IV. The labor law influences were tested by questions 23 and 24 in Part II. Subsidiary's relationships with other networks were tested by questions 40, 41, 44, 45 in Part V in the questionnaire.

Moderating Variables Under the dimension of subsidiary characteristics, questions 2, 3, 7 measured the age of the subsidiary, the size of the subsidiary and the degree of presence of expatriates in the subsidiary respectively. Under the dimension of 'MNEs' characteristics, MNE's international experience was measured by question 4. National origin was also treated as a moderating variable in the relationships since the research has implied that national origin may also moderate the relationship between other factors and IHRM practices (Ferner, 1997).

So far, the research sampling, data collection process, the reliability and validity results of the pilot-study and the whole sample, data set and methodology in data analysis have been explained in detail. In the section below, the research findings will be presented. This section will be followed by results of hypotheses testing on the basis of research findings.

4.4 Research Findings

4.4.1 Descriptive Non Inferential Statistics- Characteristics of the MNE subsidiaries and Demographic Information

The characteristics of the sample MNE subsidiaries and the demographic information about the respondent managers/directors of the sample MNE subsidiaries are presented in Table 4.9 below. Table 4.10 presents the demographic information of respondents in the sample.

According to the distribution of the national origins of MNE subsidiaries, 22 subsidiaries had German origin making up the 42,3 % of the sample; 21 subsidiaries had the United States origin constituting 40,4 % of the sample. This shows that data

was received from a considerable amount of German and USA originated MNEs. The number of subsidiaries with national origins from the Netherlands and the United Kingdom are 6 and 3 respectively. With respect to the total years of local operation, 57,7 % of the MNE subsidiaries were found to be operating in Turkey for more than 15 years. Meanwhile, each 24 out of 52 of these wholly foreign owned subsidiaries currently did not employ more than 200 employees in Turkey constituting a percentage of 46,2. However still, total sample of subsidiaries employing between 200-499 and 1000 and above people made up the 42,4 % of the sample in the study. Subsidiaries from manufacturing industry were found to be much higher than those in the service industry (Table 4.9). According to the distribution of the highest position responsible from HR, 'HR Manager' followed by 'HR Director' positions made up more then 70 % of the sample. With regard to the expatriates, the average degree of presence of expatriates working for the MNE subsidiary was 2 expatriates.

When the MNE Headquarters of the subsidiaries in Turkey WERE examined, the Headquarters' average total number of years of operation in international markets was 55.8 years.

With respect to the respondents' demographic information, 50 % of the respondents are composed of human resource managers. Almost all of the respondents are Turkish citizens and 85% of the respondents a minimum of undergraduate degree and above.

Table 4.9. The Characteristics of the Sample MNE Subsidiaries (n=52)

The Characteristics of the Sample MNE Subsidiaries (n=52)				
	n		**%**	
National Origin of the MNE Subsidiary	Germany:	22	Germany:	42,3 %
	The United States:	21	The United States:	40,4 %
	The Netherlands:	6	The Netherlands:	11,5 %
	The United Kingdom:	3	The United Kingdom:	5,8 %
Years of Local Operation of the MNE Subsidiary	16 years and above	30	16 years and above	57,7 %
	6-10 years	13	6-10 years	25,0 %
	11-15 years	9	11-15 years	17,3 %
Total employees in the MNE Subsidiary (Size)	50-199 employees	24	50-199 employees	46,2 %
	200-499 employees	11	200-499 employees	21,2 %
	1000 and above	11	1000 and above	21,2 %
	500-999 employees	6	500-999 employees	11,5 %
Sector of the MNE Subsidiary	FMCG	16	FMCG	30,8 %
	Finance, Ins, Banking	7	Finance, Ins, Banking	13,5 %
	Pharmaceutical/Health	6	Pharmaceutical/Health	11,5 %
	Automotive	4	Automotive	7,7 %
	Durable Goods	3	Packaging	5,8 %
	Packaging	3	Durable Goods	5,8 %
	Construction	3	Construction	5,8 %
	Energy	3	Energy	5,8 %
	Agriculture	2	Agriculture	3,8 %
	Media	1	Media	1,9 %
	Education	1	Education	1,9 %
	Electric-Electronic	1	Electric-Electronic	1,9 %
	Tourism	1	Tourism	1,9 %
	Transportation	1	Transportation	1,9 %
General Industry of the MNE Subsidiary	Manufacturing Ind.	41	Manufacturing Ind.	78,8 %
	Service Ind.	11	Service Ind.	21,2 %
Highest position related to HR in the MNE Subsidiary	HR Manager	25	HR Manager	48,1 %
	HR Director	13	HR Director	25,0 %
	Pers. Manager	8	Pers. Manager	15,4 %
	Adm. Aff. Manager Ass. GM rsp.	4	Adm. Aff. Manager Ass. GM rsp.	7,7 %
	HR	1	HR	1,9 %
	FIN Director rsp. HR	1	FIN Director rsp. HR	1,9 %
Mean Values of the Characteristics of the Sample MNE Subsidiaries				
Headquarters' total number of years of operation in international markets (average): 55,76 years Number of expatriates working for the MNE Subsidiary in Turkey: 2,3 expatriates				

Table 4.10. The Demographic Information of Respondent Firms in the Sample

The Demographic Information of the Respondent Managers/Directors in the Sample (n=52)				
	n		**%**	
Nationality:	Turkish Republic:	51	Turkish Republic:	98,1 %
	Other:	1	Other:	1,9 %
Level of Education:	Vocational School:	6	Vocational School:	11,5 %
	University:	30	University:	57,7 %
	Master / MBA:	14	Master / MBA:	26,9 %
	No Response:	2	No Response:	3,8 %
Position at Present Organization:	HR Supervisor:	10	HR Supervisor:	19,2 %
	HR Manager:	26	HR Manager:	50,0 %
	Prs. Manager:	3	Prs. Manager:	5,8 %
	Adm. Manager:	4	Adm. Manager:	7,7 %
	HR Director:	4	HR Director:	7,7 %
	FIN AGM:	4	FIN AGM:	7,7 %
	AGM rsp. HR:	1	HR AGM:	1,9 %
Mean Values for MNE Experience				
Total Years of Experience in the Current Organization (average) : 6,5 years Total MNE experience (average) : 4,59 years				

4.4.2 Descriptive Non-Inferential Statistics: Frequency Distributions

Frequency distribution or frequency table demonstrates the summation of the number of cases in each category or the number of times each case occurs. Additional to the information demonstration in numbers, demonstration in the form of the percentage ***(relative frequency)*** provides information about the proportion of case occurrences in each category (Bryman and Cramer, 2005). Since the data is heavily nominal, mode is also presented as the measure of central tendency. The occurrences are presented both with and without data transformations. The recoding or transformation of data provides the final data form ready for analysis.

According to the frequency distributions, locally responsive behaviors of subsidiaries were highly evident regarding SHRD practices, strategic and investment decisions, subsidiary's dependence on the local context for raw materials and transfer of finished goods responses. In addition responses that covered 'regional headquarters' choice were too few for SHRD practices and independent variables which made it more justifiable to include those responses within the 'headquarters' response options. A detailed examination of frequency of responses is available in Appendix D.

4.4.3 Data Preparations and Transformations

As explained in section 4.3.9 'Data Analyses and Data Set', mainly the cross tabulations, chi-square test and directional measures were the most comprehensively used analyses since both the dependent and independent variables were measured at the nominal level, recommending non-parametric tests. These measures helped to draw conclusions or make inferences about the presence or absence, strength and statistical significance of the relationship between variables.

A non-parametric test like chi-square examines the relationship between two variables (Bryman and Cramer, 2005). An important note for this research is that, dependent variable and each independent variable were measured by several items. For hypothesis testing, this necessiated to make a cross-tabulation and chi-square of each item of the independent variable with each item of the dependent variable. The list of cross-tabs and chi-square outputs were evaluated seperately with the

possibilities that related hypothesis might either be fully rejected or not rejected as well as partially rejected or partially not rejected. The end result could provide statistical significance between some IV and DV items or no statistical significance between other IV and DV items.

4.4.3.1 Transformation of Data and Adjustments to Chi-Square

Before moving into the mentioned inferential data analyses, it was vital to determine whether it was more appropriate to transform the data or not. Data transformation is sometimes required for more convenient data analyses and providing the true relationship between variables (SPSS 13.0 Base User's Guide, 2004). The measurement instrument- questionnaire- used in this research involved nominal data with multiple choice in each question. In this case, the existing categories needed to be collapsed into new categories for stronger data analyses. Firstly, the multiple-choice response options in the questionnaire were first transformed into three categories (Table 4.11). However, After recoding of data, the contingency tables in this study were reduced to 3x2 or 3x3 tables in which d.f. =2 and d.f. =4 respectively. This pointed to a problem regarding chi-square application.

Based on the number of degrees of freedom (d.f.), the numbers in each cell should be large enough to make the chi-square test properly. As a rule, when d.f. is greater than 1, then the chi-square test should not be used if more than 20 percent of the expected cell frequencies are below 5 (Cooper and Schindler, 2003; Babbie, et al. 2003). With the d.f. 2 and 4, the expected cell frequencies were mostly above 20 percent which then required increasing the level of expected frequencies above 5 by combining adjacent categories. So the number of categories was reduced into 2 which provided a d.f. equal to 1. For instance for the dependent variable 'local responsiveness of SHRD Practices', there were three categories for each variable which could be further classified into two categories by combining the first category *'global/regional influence'* and the third category '*mutual influence'* as ***'Other'*** and leaving the second category ***'Local Influence'*** alone as ***'Locally responsive practices'***. When the DV and IV response categories were further recoded into 2, then the d.f. would be reduced to 1.

If more than 20 % of the cell frequencies are smaller than 5, chi- square statistics with 2x2 contingency tables have better agreement with Fisher's Exact test when the sample size is small (Bryman and Cramer, 2005; Babbie et. al., 2003). The Yates' continuity correction might be used since it is designed to make the chi-square approximation better, but it overcorrects so gives a P value that is too large. It is recommended that for sample sizes up to 1000, Fisher's Exact test is used and for largers sample sizes, Yates's Correction is considered. Since the sample size was 52, then when more than 20% of the cell frequencies were smaller than 5, the p value of the Fisher's Exact Test was taken into consideration. In this respect, 3 categories were re-recoded into 2 as follows:

Table 4.11. Two Phases of Transformation (Recoding) of Data

Variable Name	Recoding of Data (1)	Recoding of Data (2)
Local Responsiveness of SHRD Practices	1. Global/Regional Influence 2. Local Influence 3. Mutual Influence	1. Locally Responsive Practices 2. Other
MNE's International Strategy	1. Global Strategy 2. Multi-domestic Strategy 3. Transnational Strategy	1. Multi-domestic Strategy 2. Other
MNE's Control Orientation	1. Centralized Control Orientation 2. Decentralized Control Orientation 3. Both	1. Decentralized Control Orientation 2. Other
MNE's International Orientation	1. Ethnocentric 2. Polycentric 3. Geocentric	1. Polycentric 2. Other
Subsidiary's Dependence on the MNE/Local Context	1. Dependence on the headquarters / regional headquarters 2. Dependence on Local Context 3. Interdependence on the headquarters, other subsidiaries and local resources	1. Dependence on the local context 2. Other
Relationship with Local networks	1. Extensive 2. Do not Know 3. Not Extensive	1.Extensive 2.Other
Labor Law Influences	1. Full Influence 2. Partial or no Influence 3. Other	1. Full Influence 2. Other
National Origin	4. European Origin 5. American Origin	1. European Origin 2. American Origin

4.4.4 Bivariate Analysis and Chi-Square Based Statistics

As explained in section 'Data Analyses and Data Set', mainly the cross tabulations and chi-square were the most comprehensively used measures since both the dependent and most of independent variables were measured at the nominal level. However, χ^2 value determined whether there was statistical dependence between the two categorical variables but no strength in the relationship. Chi-square based measures of association allowed calculation for the direction of prediction- how well the frequencies of an influential variable will be predictive of the frequencies of

another. In addition chi-square based measures of association such as Phi coefficient (ϕ) and Lambda (λ) were be used to assess the strength of relationships in cross-classification tables. It is vital to mention that regarding the results of the analyses, only the significant bivariate analyses have been presented. In examining the relationships, statistical significance was considered to be.05 (p=.05).

4.4.4.1 Local Responsiveness of SHRD Practices and National Origin

In examining the relationship between national origin and the local responsiveness SHRD practices on the I/R dimension, the aim was to answer whether there are differences between the local responsiveness of SHRD practices of MNE subsidiaries in Turkey based on national origin differences.

According to the statistical calculations, a cross-tabulation and chi-square of each item of the independent variable with each item of the dependent variable was made. Mmeasures of association were used to assess the strength of relationships in cross-classification tables. The dependent variable SHRD practices involved 6 items to be measured. The relationship between local responsiveness of SHRD practices and national origin was calculated with chi-square analysis with 1 d.f. [d.f. = (2-1) (2-1) = 1] at the .05 significance level. The significant relationships are provided below (Table 4.12):

Table 4.12. Chi-Square based Measures - National Origin * Local Responsiveness of SHRD Practices

	National Origin			
Local Responsiveness of SHRD Practices		***Chi-Square*(χ^2)**	***Phi* (Φ)**	***Lambda* (λ)**
	Recruitment/selection criteria	16.031	.555	.313
	Staffing Process	9.948	.437	.000
	Training Programs	-	-	-
	Intl. vs. Local Trainings	-	-	-
	Management of Performance Appraisal	22.183	.653	.625
	Management of Career Planning	24.575	.687	.652

National Origin and Local Responsiveness of Recruitment Criteria 2X2 contingency table demonstrated that 90,3 % of European origin MNE subsidiaries employed localized recruitment/selection criteria. According to the chi-square

results, the calculated value (χ^2=16,031) was greater than the critical value (χ^2=3.84) of the chi-square distribution with α=.05 and d.f.=1. So the proportion in the population who intended to be locally responsive in developing recruitment/selection criteria was dependent on national origin of the MNE subsidiaries.

When the strength of association was examined, ***Phi's coefficient (Φ)*** for a 2x2 table was found as .56. It showed a relatively strong and positive relationship between two variables.

For calculating the direction of prediction, ***Lambda (λ)*** was also measured. λ was then calculated as .313. Knowing the MNE subsidiaries' national origin, the prediction of local responsiveness of recruitment/selection criteria would be improved by 31 %. To predict the local responsiveness of recruitment/selection criteria, the knowledge of national origin improved pure guessing by around 31 % reflecting an improvement in the elimination of errors.

National Origin and Local Responsiveness of Staffing Process 2x2 cross-tabulations showed that 93,5 % of the MNE subsidiaries in Turkey with European origin were autonomous and acted locally responsive in developing their staffing process. The cross-tabulation showed a relationship which was to be further tested with chi-square. The critical value was found as 6,64 with d.f.=1 and .05 significance level. Accordingly, the calculated value (χ^2=9,948) was greater than the critical value. Phi's coefficient (Φ) was .44 and showed a relatively moderate and positive association between national origin and local responsiveness of staffing process. Lambda calculation took a value of 0 might demonstrate that the information provided by the IV does not improve the ability to predict the DV.

National Origin and Local Responsiveness of Management of Performance Appraisal The 2x2 cross-tabulations showed that 85,7 % of the MNE subsidiaries with USA origin did not pursue pure local responsiveness in developing their management of performance appraisal and 81 % of European origin subsidiaries pursue pure local responsiveness. The cross-tabulation showed a relationship which

was to be further tested with chi-square. The calculated value (χ^2=22,183) was found greater than the critical value with d.f.=1 and .05 significance level.

Phi coefficient (Φ=.653) presented a considerably strong and positive relationship between national origin and local responsiveness of management of performance appraisal. Lambda was calculated as λ=.063. This meant, to predict local responsiveness of performance appraisal management, the knowledge of national origin improved pure guessing by around 63 % which showed a significant improvement. Knowledge of the I/R of SHRD practices improved prediction of local responsiveness of management of performance appraisal.

National Origin and Local Responsiveness of Career Planning Management

According to 2x2 contingency tables, 86 % of the American origin MNE subsidiaries in Turkey did not execute localized management of career planning developed by the subsidiaries themselves whereas, 84 % of the European origin MNE subsidiaries in Turkey followed such a career planning process. These differences were also found significant in the chi-square statistics. With d.f.=1 and .05 significance level the critical value was χ^2=3.84. The calculated χ^2 value was 24.575 being greater than the critical value. Therefore, there was a significant relationship between the two variables and the relationship was found considerably strong and positive according to the .69, Phi coefficient (Φ). Directional measures presented that to predict local responsiveness of career planning management, the knowledge of national origin improved pure guessing by around 65 % which indicates a significant improvement.

4.4.4.2 Local Responsiveness of SHRD Practices and MNEs International Orientation

The variable 'MNE International Orientation' was measured with 3 items in the questionnaire, namely MNE's decisions about top management performance development, management of their career paths, and top management hiring. The responses given to these items were expected to provide answer to the the way decisions were made in an MNE about the home-country executives and signified primary attitudes toward management of executives. These primary attitudes would be ethnocentricism, polycentricism, geocentricism or regiocentricism. Any MNE that

was found polycentric was considered to follow local responsiveness; and others that were found geocentric was considered to be transnational. Since orientation to headquarters and regional headquarters was considered together as part of an influence internal to the MNE organzation in this research, any MNE with these attitudes would be regarded to follow standardization or ethnocentricism. As a result, the responses were classified into two main categories namely, ethnocentric/regiocentric, polycentric and geocentric by keeping 'polycentric' as ***'polycentric'*** combining ethnocentric/regiocentric and geocentric as ***'other'***. The final recoding would be 1. polycentric and 2. other. In Table 4.13 the significant results are presented.

Table 4.13. Chi-Square based Measures - MNE International Orientation * Local Responsiveness of SHRD Practices

		MNE International Orientation								
		Top Mngmt. Hiring			**Top Mngmt. Development**			**Top Mngmt. Career**		
		Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)
I/R of SHRD Practices	Recruitment/Selection criteria	-	-	-	**12.840**	**.497**	**.188**	**10.120**	**.441**	**.125**
	Staffing Process	-	-	-	**7.991***	**.392**	**.000**	**8.293***	**.414**	**.000**
	Training Programs	-	-	-	-	-	-	-	-	-
	Intl./Local Trainings	-	-	-	-	-	-	-	-	-
	Management of performance app	-	-	-	**6.031**	**.341**	**.292**	**4.690**	**.300**	**.250**
	Management of Career Planning	-	-	-	**7.364**	**.376**	**.304**	**5.822**	**.335**	**.261**

* Expected cell frequency is less than 5, results are evaluated according to the more accurate P-value considered by the Fisher's exact test.

Local Responsiveness of Recruitment Criteria and MNE International Orientation

The relationship between local responsiveness of the recruitment criteria in terms of local responsiveness and MNE international orientation regarding polycentric orientation of top management's performance development and management of their career paths was significant according to the calculated chi-square values (Table 4.13) with d.f.=1 and .05 significance level. According to the phi coefficients, there was a somehow moderate and positive relationship between local responsiveness of recruitment/selection criteria and polycentric orientation of MNEs about top management's career pathing and management of their performance development. In terms of estimating the rate of reduction in errors on the other hand, lambda values presented that to predict the degree of local responsiveness of subsidiaries, the

knowledge of international orientation of them improved guessing by around 12 % to 20 % which did not signify an improvement.

Local Responsiveness of Staffing Process and MNE International Orientation

The relationship between the subsidiary's local responsiveness of staffing process and MNE international orientation about decisions regarding polycentric orientation of top management development and management of their career paths was significant according to the calculated chi-square values, 6.175 and 6.988 respectively (Table 4.13) with d.f.=1 and .05 significance level. Phi values of .392 and .414 for top management performance development and career pathing respectively showed that the relationship was moderate and positive. Lambda values were found .000 for both variables which presents no improvement. This meant the knowledge of MNE's international orientation about development of top management and management of their career predicted subsidiary's local responsiveness of staffing process by 0 percent.

Local Responsiveness of Management of Performance Appraisal and International Orientation Regarding the MNE decisions about top management development, there was a significant relationship between the subsidiary's local responsiveness on management of performance appraisal and polycentric orientation of top management development and management of their career paths, the chi-square calculated values of which were demonstrated as .603 and 4.69 with d.f.=1 and .05 significance level in Table 4.13. With respect to phi coefficient as a symmetric measure, values of .34 and .30 pointed that there was a relatively moderate relationship between two variables.

Lambda values were found as .292 and .250 which also presented 29 % and 25 % improvement. Therefore, the knowledge of MNE's polycentric orientation about top management's development and career predicted subsidiary's local responsiveness on management of performance appraisal by 29 percent and 25 percent respectively.

Local Responsiveness of Management of Career Planning and International Orientation The relationship between the subsidiary's local responsiveness of management of career planning and MNE international orientation regarding top

management development and management of their career paths was significant according to the calculated chi-square values (Table 4.13). MNE international orientation considering top management hiring was not found significant since the calculated values were smaller than critical value.

Phi coefficients were found as .38 and .34 respectively for polycentric orientation in management development of top executives and for polycentric orientation in management development of top executives and it could be inferred that relationship between the variables were moderate and positive. Lambda values of .304 and .261 signified that it was 30 % better to predict the subsidiary's local responsiveness on management of career planning by the knowledge of MNE polycentric orientation of top management development. It was also 26 % better to predict the subsidiary's local responsiveness on management of career planning by the knowledge of MNE polycentric orientation about top management career path planning.

4.4.4.3 Local Responsiveness of SHRD Practices and MNEs Control Orientation

The variable 'MNE Control Orientation' was measured with 5 items in the questionnaire, namely operational decisions, strategic decisions, investment decisions, new product decisions, research and development (R&D) decisions. The responses provided presented the responsible authorities that make decisions about the relevant issues. According to the authority the decisions were made by, the degree of 'control orientation of MNEs' would be clarified. The 3 levels of recoded responses were also transformed by combining 'centralized' and 'mutual' control orientation as one category namely, ***'other'*** and leaving ***'decentralized control orientation'*** alone as the other category. Below the significant results are presented in Table 4.14.

The proportion in the subsidiary population who intend to be locally responsive in developing recruitment/selection criteria, staffing process, management of performance appraisal and management of career planning was dependent on the decentralized control orientation of the MNE with respect to strategic and investment decisions. Chi-square values with d.f.=1 and .05 significance level between IV items—strategic and investment decisions- and DV items— recruitment/selection

criteria, staffing process, management of performance appraisal, and management of career planning- are shown in the table.

Symmetric measure of phi coefficient varied between .496 and .726 showing that the relationships varies from moderate to strong and were positive. Related to the directional measures, lambda values were found 0 for staffing process. This 0 value however might show that the dependent variable of local responsiveness of staffing process was hard to be predicted based upon knowledge of MNE control orientation regarding strategic and investment decisions. With respect to recruitment/selection criteria, management of performance appraisal, and management of career planning, λ varies between .375 and .696. That means to predict local responsiveness of related SHRD practices, knowledge of MNE control orientation in strategic and investment decisions approximately improves pure guessing between 38 % and 70 %.

The relationship between MNE control orientation with respect to new product decisions and local responsiveness of SHRD practices were only found significant for development of performance appraisal and of career planning. Chi-square values with D.F. =1 and .05 significance level were greater than the critical value χ^2=3.84. Phi coefficient (Φ) showed a moderately strong and positive association between the variables. In addition, Lambda values were around 34 % implying that knowing about MNE control orientation with respect to new product decisions improved the prediction of local responsiveness of management of performance appraisal and management of career planning of subsidiaries by 34 %.

Table 4.14. Chi-Square based Measures - MNE Control Orientation * Local Responsiveness of SHRD Practices

MNE Control Orientation																
		Operational Decisions			**Strategic Decisions**			**Investment Decisions**			**New Product Decisions**			**R&D Decisions**		
		Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square (χ^2)	Phi (Φ)	Lamb da (λ)	Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)
I/R of SHRD Practices	Recruitment/ selection criteria	**-**	**-**	**-**	**19.338**	**.610**	**.375**	**21.309**	**.640**	**.438**	**-**	**-**	**-**	**-**	**-**	**-**
	Staffing process	**-**	**-**	**-**	**13.501***	**.510**	**.000**	**14.792***	**.533**	**.000**	**-**	**-**	**-**	**-**	**-**	**-**
	Training Programs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Intl./Local Trainings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Management of Performance Appraisal	**-**	**-**	**-**	**14.859**	**.535**	**.500**	**12.788**	**.496**	**.458**	**9.578***	**.429**	**.333**	**-**	**-**	**-**
	Management of Career Planning	**-**	**-**	**-**	**27.443**	**.726**	**.696**	**24.575**	**.687**	**.652**	**10.514***	**.450**	**.348**	**-**	**-**	**-**

* Expected cell frequency is less than 5, results are evaluated according to the more accurate P-value considered by the Fisher's exact test.

4.4.4.4 Local Responsiveness of SHRD Practices and MNE International Strategy

The variable 'MNE international strategy' was measured with 4 items in the questionnaire, namely MNEs' decisions about product manufacturing, R&D activities, product differentiation, marketing activities. The responses given to these items provided answer to the type of the international competitive strategy MNE headquarters pursue—the way they manage their subsidiaries and different business areas within the subsidiary like marketing, manufacturing, HRM (Harzing and Ruysseveldt, 2004).

For the analysis, the responses were classified into three key international competitive strategies as multi-domestic strategy, global strategy and transnational strategy. Due to the problem of the number of expected frequencies less than 5 in cells of the contingency tables, responses recoded into 3 categories are further classified into two main categories by keeping multi-domestic strategy alone as (1) 'multi-domestic strategy' and combining global and transnational strategy as (2) 'other'. Another note is that the sample of the study involved firms from both manufacturing and service industries. Therefore, only MNEs from manufacturing industry were included in the analysis regarding the relationship between local responsiveness of SHRD practices and product manufacturing.

Local Responsiveness of Recruitment/Selection Criteria and MNE International Strategy According to the results in Table 4.15, there was a significant relationship between local responsiveness of recruitment/selection criteria and international strategy considering product differentiation and marketing activities. Calculated chi-square values varied between 4, 164 and 4,994. The values were found greater than the critical value (χ^2=3.84). The phi coefficients showed that there was a weak to moderate and positive relationship between the variables.

Local Responsiveness of Management of Performance Appraisal and MNE International Strategy According to the analyses, the findings showed that, the proportion in the subsidiary population who intended to be locally responsive in developing management of performance appraisal was dependent on MNE international strategy with respect to *product differentiation and marketing activities*.

According to the frequencies of product manufacturing, product differentiation and marketing activities, with d.f.=1 and .05 significance level, calculated chi-square values were 8.026, 7.077 and 9.632 respectively (Table 4.15). The values were greater than the critical chi-square value (χ^2=3.84). As a result, the more MNEs pursued multi-domestic international strategy, the more likely that management of performance appraisal was developed more automously and locally by the subsidiary.

According to phi coefficients, there was a somehow moderate and positive relationship between local responsiveness of management of performance appraisal and MNE international strategy regarding *product manufacturing, product differentiation and marketing activities* for managing overseas subsidiaries. Although p values did not show significant improvement (Table 4.15), lambda values presented that to predict the degree of local responsiveness of subsidiaries with respect to management of performance appraisal, the knowledge of MNE international strategy improved guessing between 29 to 45 percent. So, 29 to 45 percent of the error in predicting local responsiveness of subsidiaries' performance appraisal practice would be eliminated by knowledge of MNE international strategy. So, 29 to 33 percent of the error in predicting local responsiveness degree of management of performance appraisal would be eliminated by knowledge of MNE international strategy regarding *product differentiation and marketing activities*.

Local Responsiveness of Management of Career Planning and MNE International Strategy The relationship between the subsidiary's local responsiveness on management of career planning and MNE International Strategy regarding *product differentiation and marketing activities* was significant according to the calculated chi-square values (Table 4.15). Locally responsive practices of the subsidiaries were found as dependent on the multi-domestic strategy pursued by the MNEs. Phi coefficients of .41 and .40 demonstrated that the strength of association between the variables were moderate and positive. Lambda values of .30, .26 respectively for *product differentiation and marketing activities*, signified that the knowledge of MNE international strategy improved prediction of the subsidiary's local responsiveness of career planning by around 26 to 30 percent.

Table 4.15. Chi-Square based Measures - MNE International Strategy * Local Responsiveness of SHRD Practices

MNE International Strategy													
		Product Manufacturing			**Research Activities**			**Product Differentiation**			**Marketing Activities**		
		Chi-Square(χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square(χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square(χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square(χ^2)	Phi (Φ)	Lambda (λ)
I/R of SHRD Practices	Recruitment/selection criteria	**-**	**-**	**-**	**-**	**-**	**-**	**4.493**	**.294**	**.000**	**4.994**	**.310**	**.000**
	Staffing process	**10.798**	**.513**	**.444**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Training Programs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Intl./Local Trainings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Management of Performance Appraisal	**8.838**	**.464**	**.450**	**-**	**-**	**-**	**7.077**	**.369**	**.292**	**9.632**	**.430**	**.333**
	Management of Career Planning	**-**	**-**	**-**	**-**	**-**	**-**	**9.057**	**.417**	**.304**	**8.479**	**.404**	**.261**

4.4.4.5 Local Responsiveness of SHRD Practices and Subsidiary Dependence

'Subsidiary Dependence' was measured with 4 items in the questionnaire—dependence related to technology, know-how, raw materials/partially finished goods, transfer of finished goods. The responses given depicted the party that the subsidiary was dependent on for these issues. The responses were classified first into three categories;

a. dependence of the subsidiary on the headquarters or regional headquarters (both parties are thought to signify an influence internal to the MNE organization)

b. dependence of the subsidiary on the local context/its own organization and external to the MNE organization

c. interdependence between the headquarters, its subsidiaries and the local context.

Due to the problem of the number of expected frequencies in the cells with 3x3 tables, three levels of recoded responses were re-transformed by combining a and c responses as 'other' and leaving b responses alone as 'dependence on the local context'.

Local Responsiveness of Training and Subsidiary Dependence According to the Table 4.16 below, local responsiveness of SHRD practices in terms of development of training programs, international/local trainings were dependent on the subsidiary's dependence on the local context for technology and know-how. This meant, when the subsidiaries relied on the local resources for technology, know-how and best-practices, they could be more inclined to locally develop training programs and sent their personnel to heavily local trainings. While the relationships were found significant, regarding the strength of the relationships, local responsiveness of training programs and subsidiary's dependence were determined to be rather weak to moderately strong.

Local Responsiveness of Management of Performance Appraisal and Subsidiary Dependence The cross-tabulations showed that (Table 4.16) there was a relationship between the subsidiary's local responsiveness of management of performance appraisal and dependence of the subsidiary with respect to technology and know-how. With d.f.=1 and .05 significance level, Table 4.16 demonstrated chi-square

calculated value as 10.835 for the relation between technology and local responsiveness of performance appraisal practices and 12.787 for the relation between know-how and local responsiveness of performance appraisal practices. The cross-tabulations showed that when subsidiaries were dependent on the local context for technology and know-how, management of performance appraisals were developed locally by the subsidiaries.

Phi coefficients for technology and know-how showed a moderate and positive relationship. Lambda values presented that the knowledge of the party the subsidiary was dependent on regarding technology and know-how predicted local responsiveness of performance appraisal management by 42 percent and 46 percent respectively.

Local Responsiveness of Management of Career Planning and Subsidiary Dependence The relationship between the subsidiary's local responsiveness on management of career planning and subsidiary dependence on the local context regarding technology and know-how was significant according to the calculated chi-square values (Table 4.16) with d.f.=1 and .05 significance level. The proportion in the subsidiary population who intended to be locally responsive in developing management of career planning of employees was dependent on the subsidiary's dependence on the local context with respect to *technology and know-how*.

Phi coefficients for technology and know-how indicated that there was a rather moderate and positive relationship between each pair of variables. According to the directional measures, Lambda value signified that to predict the subsidiary's local responsiveness on management of career planning, the knowledge of the party the subsidiary was dependent on the local context with respect to technology and know-how improved prediction by around 35 percent and 40 percent respectively.

Table 4.16. Chi-Square based Measures - Subsidiary Dependence * Local Responsiveness of SHRD Practices

		Subsidiary Dependence											
		Technology			**Know-How**			**Raw Materials**			**Finished Goods**		
		Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)
I/R of SHRD Practices	Recruitment/selection criteria	-	-	-	-	-	-	-	-	-	-	-	-
	Staffing Process	-	-	-	-	-	-	-	-	-	-	-	-
	Training Programs	**3.861**	**.272**	**.000**	**8.870**	**.413**	**.063**	-	-	-	-	-	-
	Intl./Local Trainings	**12.239**	**.485**	**.381**	**14.586**	**.530**	**.429**	-	-	-	-	-	-
	Management of Performance Appraisal	**10.835**	**.456**	**.417**	**12.787**	**.496**	**.458**	-	-	-	-	-	-
	Career Management Process	**8.868**	**.413**	**.348**	**10.731**	**.454**	**.391**	-	-	-	-	-	-

4.4.4.6 Local Responsiveness of SHRD Practices and Labor Law Influences

As examined in Chapter 2 in line with literature studies, organizations become similar to each other through institutional forces. The more institutions in the host country are different from those of the home country of the MNE, the more likely that the subsidiaries may differentiate their policies and procedures as dictated by the Headquarters so that the policies will be compatible with the local conditions. Institutions such as trade unions, workers rights, employment laws, health and safety regulations, and industrial relations legislation are the areas where distinctions may exist.

The 2003 Labor Code introduced flexible working arrangements and employment protection provisions, regulation of collective dismissals, long-term protections for workers including social security measures (Turkey Background Study, 2004). With respect to the issues in HRM policies, the Law has brought many revised provisions such as hiring contracts, trial period, vacation and working hours policies, etc to which organizations in Turkey must comply with.

Another important provision is about employee terminations such that that the employers can only dismiss workers only on the basis of a valid cause for the dismissal (2003 Labor Code, as cited in Dereli, 2003). The valid reason for the dismissal makes the employee performance evaluations in organization important in the sense that they are considered as proof of evidence when an employee termination is required. Therefore, the law obliges all organizations employing more than 30 employees to design a performance appraisal process in which the employees shall go through. Still there is a strong and rather restricted institutional environment regarding labor market regulations as put forward by the OECD (2007) report.

Therefore, the relation between local responsiveness degree of SHRD practices and the influence of Turkish Labor Law regarding HRM policies are examined as to whether there is a dependent relationship between the two or not.

Table 4.17. Chi-Square based Measures - Labor Law Influences * Local Responsiveness of SHRD Practices

Labor Law Influences							
		Influence of Employment Policies			**Influence of Justification of Termination Provision**		
		Chi-Square(χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square(χ^2)	Phi (Φ)	Lambda (λ)
I/R of SHRD Practices	Recruitment/selection criteria	-	-	-	-	-	-
	Staffing Process	**6.933**	**.365**	**.308**	-	-	-
	Training Programs	-	-	-	-	-	-
	Intl./Local Trainings	-	-	-	-	-	-
	Management of Performance Appraisal	-	-	-	**7.991**	**.392**	**.304**
	Management of Career Planning	-	-	-	-	-	-

* Expected cell frequency is less than 5, results are evaluated according to the more accurate P-value considered by the Fisher's exact test.

Local Responsiveness of Staffing Process and Influence of Employment Policies ***C***hi-square test (χ^2=6.93) presented that, there was a significant relationship between influence of employment policies (such as working hours, vacation policies, trial period) and local responsiveness of SHRD practices in terms of staffing process. The proportion in the subsidiary population who intended to be locally responsive in developing staffing process was dependent of influence of employment policies based on new Labor Code. When subsidiary totally abided by the employment policies of the new Job Security Act, they were found to be more likely to adapt their staffing process to the local context.

Regarding the strength of the relationship, the measure of association between local responsiveness of staffing process and influence of employment policies based on the new Labor Code and Job Security Act were moderate and positive (Φ=.36).

Local Responsiveness of Performance Appraisal Process and Influence of 'Justification of Termination' Provision Significant relationship was found between influence of justification of termination provision based on the new Job Security Act and local responsiveness of SHRD practices regarding management of performance appraisal. The calculated chi-square value was found as χ^2=6.175. The calculated value was greater than the critical value (χ^2=3.84) with d.f. =1 and .05 significance level, it could be concluded that the local responsiveness of performance appraisal management was dependent on influence of Job Security Act regarding justification

of termination (Table 4.17). This might indicate that when the subsidiaries had a need to ensure valid reason for justification of employee termination and made necessary developments in performance evaluation in accordance with the new Law, the more likely that their management of performance appraisal were locally responsive.

Considerin the measure of association between two variables, a phi value of .39 indicated a moderate and positive relationship between the variables. Lambda (λ) coefficient for management of performance appraisal is .30. As a result of knowing the labor law influence for performance evaluation, 30 percent of the error in predicting local responsiveness of performance appraisal management would be eliminated.

4.4.4.7 Local Responsiveness of SHRD Practices and Relationship with Other Networks

Literature studies have already provided that the HR policies and practices of MNE subsidiaries are influenced by the operations of the network of *regulators, competitors, local distributors, and local suppliers*, additional to the host institutions to the extent that the subsidiary establishes tight web of relationships with them (Hannon, et. al., 1995).

A similar relationship was investigated in this research within the Turkish local context. It was examined whether the subsidiary's relation with and response to consumer needs, market conditions, competitive situations, local suppliers and local distributors were related to their degree of local responsiveness of SHRD practices.

Local Responsiveness of Staffing Process and Relationship with Local Networks

According to the calculated chi-square results, there was a significant relationship between local responsiveness of staffing process and other relational networks regarding extensive relationship with customers/consumers, competitors, local distributors, local suppliers (Table 4.18). Whereas for the same bivariate table, Phi coefficients indicated generally moderate and positive associations.

Local Responsiveness of Management of Performance Appraisal and Relationship with Local Networks The calculated chi-square values showed that, the proportion in the subsidiary population who intended to be locally responsive in developing management of performance appraisal was dependent of other relational networks with respect to *extensive relationship with customers/consumers, competitorslocal distributors and local suppliers*. According to the frequencies of response to consumer needs and competitive conditions with d.f.=1 and .05 significance level, calculated chi-square values varied between 7.436 and 16.371 (Table 4.18). The values were greater than the critical chi-square value (χ^2=3.84).

According to Phi coefficients, there was a somehow moderate and positive relationship between local responsiveness of performance appraisal management and subsidiary's extensive relationship with local networks. Lambda values varying from .33 to .52 reflected that to predict the local responsiveness of subsidiaries with respect to management of performance appraisal, the knowledge about subsidiaries extensive relationship with local networks improved guessing by 33 percent to 52 percent.

Local Responsiveness of Management of Career Planning and Relationship with Local Networks The relationship between subsidiaries' local responsiveness on management of career planning and subsidiary's extensive relationship with local networks was significant according to the calculated chi-square values varying between 7.102 and 10.232 (Table 4.18) with d.f.=1 and .05 significance level.

Values of Phi coefficients varying between .37 and .45 indicated that the strength of the relationship between local responsiveness of management of career planning and subsidiary's extensive relationship with the local networks were sensitive and rather moderate. According to the directional measures, Lambda values signified that to predict the subsidiary's local responsiveness of management of career planning, the knowledge of the subsidiaries' relationship with local networks improved prediction by around 30 to 36 percent. Additionally, phi coefficients supported moderately strong relationships.

Table 4.18. Subsidiary's Relationship with Local Networks * Local Responsiveness of SHRD Practices - Chi-Square Test, Directional and Symmetric Measures

		Relationship with Local Networks											
		Customers/Consumers			**Competitors**			**Local Distributors**			**Local Suppliers**		
		Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)	Chi-Square (χ^2)	Phi (Φ)	Lambda (λ)
R of SHRD Practices	Recruitment/selection criteria	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Staffing Process	**6.068**	**.342**	**.000**	**7.306**	**.378**	**.000**	**7.350**	**.118**	**.376**	**8.642**	**.408**	**.276**
	Training Programs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Intl./Local Trainings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Management of Performance Appraisal	**7.546**	**.381**	**.333**	**16.371**	**.567**	**.522**	**7.436**	**.378**	**.333**	**9.131**	**.419**	**.375**
	Management of Career Planning	**9.095**	**.418**	**.348**	**10.232**	**.448**	**.364**	**.8.749**	**.410**	**.348**	**.7102**	**.370**	**.304**

4.4.5 Multivariate Analyses: Relationships among Three Variables

Until this section, the primary focus was to examine the relationship between two variables: a single dependent and a single independent variable. However, focusing on the impact of only one variable over the other might be less realistic considering the complexities and variations among different MNE organizations.

Experimental studies usually enabled the researcher setting up control and experimental groups and examined the effect of a third variable and discounted the alternative explanations of a relationship. However a in field survey when it was not feasible to set up control and experimental groups and the confounding factors could not be controlled, alternative explanations of a relationship would result creating limitations of inferring causal relationships. As a result, some potentially confounding factors might exist contaminating the relationship between two variables (Bryman and Cramer, 2006). This highlighted the need to examine the impact of more than one variable on a single dependent variable or in other words the examination of three variables.

In this study, a third variable (subsidiary characteristics and MNE characteristics) was introduced to the relationship between local responsiveness of SHRD Practices and MNE organizational factors; local responsiveness of SHRD Practices and environmental factors. The third variable was tested to examine whether it would moderate the IV-DV relationship in such a way that the relationship was found to actually hold for a certain portion of the sample not for the sample as a whole. The size and age of the subsidiary, and degree of presence of expatriates in the subsidiary were examined separately as a third variable within the 'subsidiary characteristic'. MNE's international experience (age) and MNE national origin were examined separately as a third variable within the 'MNE characteristics'. Chi-square testing and contingency tables were used to explore relationships among three variables.

4.4.5.1 Descriptive Statistics

Of all these five (moderating) variables which were investigated whether to moderate the previously observed relationships, two of them—'degree of presence of expatriates in the subsidiary', 'the international experience of the MNE' provided continuous data. The international experience of the MNE was described by 'the age of the MNE in international markets'[9]. Conducting chi-square statistics required categorized (nominal) data. Therefore, continuous data should be recoded and grouped into categories. It was important here to categorize the data properly and decide on logical break points. The descriptive statistics 'data's mean and standard deviations would provide help in meaningfully grouping data. The properly recoding and categorization of the third variable would support for a correct finding about whether the relationship between IV and DV was moderated by the third variable or not. The information about the descriptive statistics of the continuous data is explained below:

Table 4.19. Descriptive Statistics of 'the Degree of Presence of Expatriates in the Subsidiary', and 'the Age of the Headquarters'

Statistics

		Total years of international operation of the MNE	Number of expatriates in the subsidiary in Turkey
N	Valid	51	52
	Missing	1	0
Mean		55,29	2,73
Median		50,00	2,00
Mode		35[a]	1
Std. Deviation		27,461	2,643
Range		109	10
Minimum		11	0
Maximum		120	10

a. Multiple modes exist. The smallest value is shown

In ideal situation, a normal distribution is a bell-shaped curve on which the mean, median and mode are identical. These continuous variables presented in Table 4.19 above did not perfectly show a standard normal distribution, but the values were not highly dispersed.

[9] 'Age of the MNE' is defined by the total years of international operation of the MNE.

Two categories will be created out of each of the continuous moderator variable. Accordingly for the variable 'degree of presence of expatriates', the value that was close to the standard deviation was selected as a break point. Considering the mean score as 2 and standard deviation as 2.64, a value of 2 was chosen as the break point for classifying the two categories.

- So continuous moderator variable 'The degree of presence of expatriates' was recoded into two categories one being '*Low Presence*' for 2 expatriates and less and the other being '*High Presence*' for more than 2 expatriates.
- For the variable 'international experience of the MNE' two sub variables were used. For 'age of the MNE', the value 55 was selected as a break point at the standard deviation (55,29). So the variable 'age of the MNE' was recoded into two groups one being 'Internationally *Young MNEs*' and the other being 'Internationally Old *MNEs*'.

The variables 'size of the subsidiary'[10] and 'age of the subsidiary'[11] involved nominal data. Examining the frequency distributions:

- The size of the subsidiary was categorized into two groups such as less than or equal to 499 employees and more than or equal to 500 employees and the groups were defined as 1. small subsidiaries and 2. large subsidiaries, respectively. In classifying the MNEs according to the size, the OECD report by Vinde (1995) was taken into consideration. Accordingly, those enterprises which employ 500 employees and more are considered to be large enterprises and those which employ less than 500 employees were considered to be smaller enterprises (micro, very small, small, middle sized).
- The age of the subsidiary was categorized into two groups such as less than or equal to 15 years of operation and more than 15 years of operation and the groups were defined as 1. young subsidiaries and 2. old subsidiaries, respectively.

[10] 'Size of the subsidiary ' is defined by the total number of employees the subsidiary employs in Turkey.
[11] 'Age of the subsidiary' is defined by the total years of subsidiary operation in Turkey .

Figure 4.3. Number of expatriates in the Subsidiary in Turkey (Histogram)

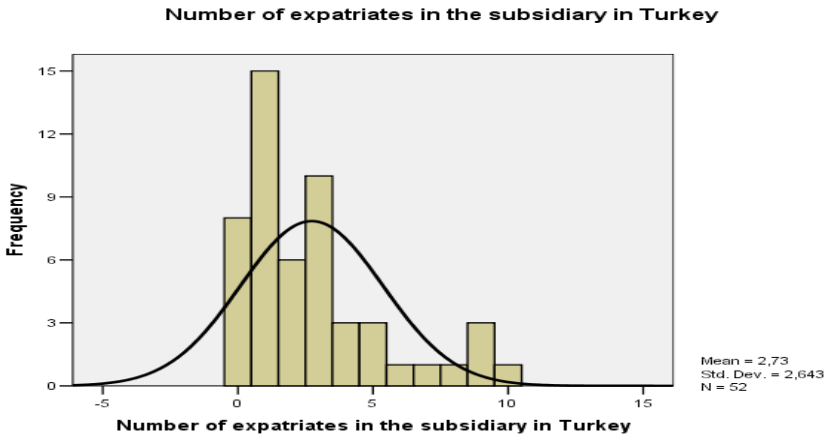
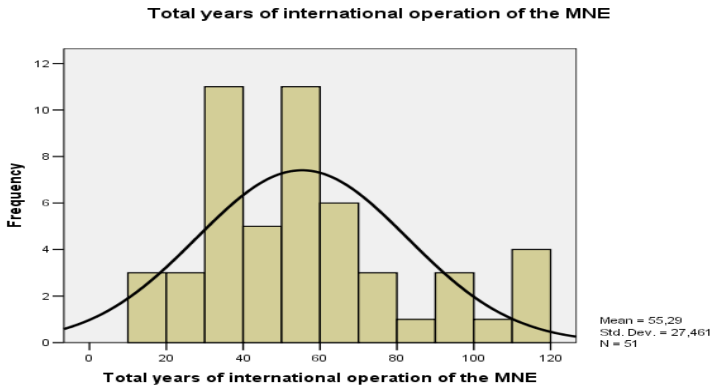


Figure 4.4. The Age of the MNE (Histogram)



4.4.5.2 Multivariate Analyses with MNE Characteristics

A moderated relationship was valid when a relationship was speculated to hold for some categories of a sample only rather than the sample as a whole. Being part of the objectives of the study, the influence of a third variable (subsidiary age, subsidiary size, degree of presence of expatriates, MNE international experience and national origin) on the relationship between local responsiveness of SHRD practices and MNE organizational factors were examined as to whether the previously observed relationship is true despite the introduction of a third variable. It was investigated whether the third variable altered or moderated the original relationship for a certain portion of the sample. Only significant results were presented. Below, the relationship between three variables (with the introduction of a third variable) was explained in detail:

I. Is the relationship between Local Responsiveness of SHRD Practices and MNE Organizational Factors moderated by the *age of the subsidiary*?

Local Responsiveness of SHRD Practices * MNE Control Orientation * Age of the Subsidiary Based on the cross-tabulations and chi-square results, in the summary Table 4.20 below, the original significant relationships between;

- the local responsiveness of staffing process and strategic decisions, investment decisions,
- the local responsiveness of management of performance appraisal and strategic and investment decisions were modified by the third variable age of the subsidiary. For the relationships partial chi-square tests (See Appendix F) showed that the relationships were significant for the group of old 'subsidiaries'.

So, the age of the subsidiary was found to influence the relationship between local responsiveness of SHRD practices regarding staffing, management of performance appraisal and regarding strategic and investment decisions. So it could be inferred that there was an interaction effect. Local responsiveness of staffing process and management of performance appraisal differed substantially for different categories of the moderating variable, the age of the subsidiary. (See Table 4.20).

Local Responsiveness of SHRD Practices * MNE International Orientation * Age of the Subsidiary Table 4.20 showed that subsidiary age influenced the original relationships between;

- local responsiveness of staffing process, and top management performance and career,
- local responsiveness of management development of top executives and management of their career paths. According to the pair of chi-square tests, the relationships were found significant for subsidiaries that were operating in Turkey for more than 15 years. This result might indicate that the more experience subsidiaries gained in the local environment, the more likely that there was dependent relationship between MNE international orientation and local responsiveness of SHRD practices.

Local Responsiveness of SHRD Practices * MNE International Strategy * Age of the Subsidiary Comparing the previously determined relationships and the current relationship in which the 'subsidiary age' factor was also examined, age of the subsidiary was found to have a moderating role. The significant relationship between;

- the local responsiveness of SHRD practices regarding management of performance appraisal and MNE international strategy regarding product manufacturing, ,
- the local responsiveness of management of career planning and product differentiation pertained to a portion of the old subsidiaries in Turkey. The same relationship was found to be less strong for young subsidiaries.

Local Responsiveness of SHRD Practices * MNE National Origin * Age of the Subsidiary According to the findings, subsidiary age was not a moderating variable influencing the relationship between local responsiveness of SHRD practices and MNE national origin.

In summary**,** the findings were in line with the literature findings (see section 3.9.2.3), expectations regarding that older MNE subsidiaries could transfer their HRM practices at a lower rate than the younger MNE subsidiaries. The moderated relationships were heavily visible for previously observed relationships between;

- local responsiveness of recruitment, staffing, management of performance appraisal and management of career planning practices and MNE control orientation (strategic and investment decisions),
- local responsiveness recruitment, staffing, management of performance appraisal and management of career planning practices and MNE international orientation (top management performance and career),
- local responsiveness recruitment, staffing, management of performance appraisal and management of career planning and MNE international strategy (product differentiation).

The findings of this study also suggested that the moderated relationship between MNE organizational factors and local responsiveness of SHRD practices was significant being far ***stronger for old subsidiaries*** than for young subsidiaries.

II. Is the relationship between Local Responsiveness of SHRD Practices and MNE Organizational Factors moderated by the *size of the subsidiary*?

Local Responsiveness of SHRD Practices * MNE Control Orientation * Size of the Subsidiary According to the paired chi-square tables (Table 4.21), the original relationships between;

- the local responsiveness of staffing process and strategic, investment decisions,
- the local responsiveness of management of performance appraisal and investment decisions and
- the local responsiveness of management of career planning and investment decisions was found to be influenced by the size of the subsidiary. However, contrary to the common expectations and findings, small subsidiaries rather than large subsidiaries were found to affect the previously observed relationship between local responsiveness of SHRD practices and MNE control orientation (See Appendix F). That is, the relationship between local responsiveness of SHRD practices and MNE decentralized control orientation was stronger for small subsidiaries than large subsidiaries.

Table 4.20. Paired Chi-Square Results for Local Responsiveness of SHRD Practices * MNE Organizational Factors * Age of the Subsidiary

		I/R of SHRD Practices											
		Recruitment/selection criteria		Staffing Process		Training Programs		Intl. vs Local Trainings		Management of Performance Appraisal		Management of career planning	
		Chi-Square		Chi-Square		Chi-Square		Chi-Square		Chi-Square		Chi-Square	
		Young	Old	Young	Old	Young	Old	Young	Old	Young	Old	Young	Old
MNE Control Orientation	Operational Decisions	-	-	-	-	-	-	-	-	-	-	-	-
	Strategic Decisions		-	,963*	**14,266***	-	-	-	-	1,692*	**15,922**	-	-
	Investment Decisions	-	-	1,378*	**14,266***	-	-	-	-	3,143*	**10,541**	-	-
	New Product Decisions	-	-	-	**-**	-	-	-	-	-	-	-	-
	Research Decisions	-	-	-	**-**	-	-	-	-	-	-	-	-
MNE International Orientation	Top Management Hiring	-	-	-	**-**	-	-	-	-	-	-	-	-
	Top Management Performance	-	-	.014*	**10.909***	-	-	-	-	,786*	**6,652**	-	-
	Top Management Career	-	-	-	**-**	-	-	-	-	,000	**6..552**	-	-
MNE International Strategy	Product Manufacturing	-	-	-	-	-	-	-	-	1,636	**7,298**	3.009	**5.129**
	Research Activities	-	-	-	-	-	-	-	-	-	-	-	-
	Product Differentiation	-	-	-	-	-	-	-	-	,752*	**5,792**	1,086*	**7,232**
	Marketing Activities	-	-	-	-	-	-	-	-	-	-	-	-
MNE National Origin	National Origin	-	-			-	-	-	-	-	-	-	-

** Expected cell frequency is less than 5, results are evaluated according to the more accurate P-value considered by the Fisher's exact test.

Local Responsiveness of SHRD Practices * MNE International Orientation * Size of the Subsidiary Table 4.21 below shows below that subsidiary size influenced the original relationships between local responsiveness of career planning management and top management performance and career.

According to the pair of chi-square tests, the relationships were influenced and moderated by the subsidiary size. Out of the category of small and large subsidiaries, the dependent relationship between local responsiveness of SHRD practices (management of performance appraisal and management of career planning) and MNE international orientation (top management performance development and career pathing) pertained to small subsidiaries only. This result might indicate that small subsidiaries had less resisting power against the forces coming from the local environment. Another controversial issue was that, the higher number of small subsidiaries categorized in the sample might have also accounted for the differences in significance.

Local Responsiveness of SHRD Practices * MNE International Strategy * Size of the Subsidiary Comparing the previously determined relationships and the current relationships in which the 'subsidiary age' factor was also examined, subsidiary size was found to have a moderating role (Table 4.21). This interaction effect was visible regarding the relationship between;

- local responsiveness of career planning management and product manufacturing,
- local responsiveness of career planning management and product differentiation.

It was found for small subsidiaries that there was a significant relationship between local responsiveness of SHRD practices and MNE international strategy (See Appendix F). The same relationship was found to be less strong for large subsidiaries.

Local Responsiveness of SHRD Practices * MNE National Origin * Size of the Subsidiary Table 4.21 showed below that subsidiary size influenced the original relationships between local responsiveness of recruitment/selection criteria, staffing process, management of performance appraisal, career planning management and national origin of the MNE. According to the pair of chi-square tests, the relationships were influenced and moderated by the subsidiary size. The dependent

relationship between local responsiveness of SHRD practices and MNE national origin pertained to small subsidiaries only. This result might indicate that subsidiary size had a substantive moderating role in the HR local responsiveness and national origin relationship.

In summary**,** it was inferred from the findings that larger subsidiaries were more inclined to resist pressures coming from the local environment than smaller subsidiaries. Contrary to the expectations (See section 3.9.2.3), in this study the finding that local responsiveness of SHRD practices was dependent on MNE organizational factors was more evident with smaller subsidiaries. The moderated relationships were heavily visible for previously observed relationships between;

- Local responsiveness of SHRD practices (hiring, management of performance appraisal and career planning management) and MNE control orientation (strategic and investment decisions),
- local responsiveness of SHRD practices (management of performance appraisal and career planning management) and MNE international orientation (top management performance and career)
- local responsiveness of SHRD practices (career planning management) and MNE international strategy (product manufacturing and product differentiation)
- local responsiveness of SHRD practices (recruitment, hiring, management of performance appraisal and career planning management) and national origin of the MNE.

Local responsiveness of staffing process and management of performance appraisal differed substantially for different categories of the moderating variable that is the size of the subsidiary. On the other hand, it should be also noticed that according to the categorization, there were more small subsidiaries (35) than large subsidiaries (17) in the sample which might also account for this result.

Table 4.21. Paired Chi-Square Results for Local Responsiveness of SHRD Practices * MNE Organizational Factors * Size of the Subsidiary

		I/R of SHRD Practices											
		Recruitment/selection criteria		Staffing Process		Training Programs		Intl. vs Local Trainings		Management of Performance Appraisal		Career planning management	
		Small	Large	Small	Large	Small	Large	Small	Large	Small	Large	Small	Large
MNE Control Orientation	Operational Decisions	-	-	-	-	-	-	-	-	-	-	-	-
	Strategic Decisions	-	-	**7,732***	4,958*	-	-	-	-	-	-	-	-
	Investment Decisions	-	-	**9,052***	4,958*	-	-	-	-	**8,700***	2,487*	**22,828***	2,487*
	New Product Decisions	-	-	-	-	-	-	-	-	-	-	-	-
	Research Decisions	-	-	-	-	-	-	-	-	-	-	-	-
MNE International Orientation	Top Management Hiring	-	-	-	-	-	-	-	-	-	-	-	-
	Top Management Performance	-	-	-	-	-	-	-	-	-	-	**6,818***	,298*
	Top Management Career	-	-	-	-	-	-	-	-	-	-	**6,818***	,032*
MNE International Strategy	Product Manufacturing	-	-	-	-	-	-	-	-	-	-	**5,106**	3,996*
	Research Activities	-	-	-	-	-	-	-	-	-	-		
	Product Differentiation	-	-	-	-	-	-	-	-	-	-	**5,115**	2,155*
	Marketing Activities	-	-	-	-	-	-	-	-	-	-		
MNE National Origin	National Origin	**18,144***	1,409*	**10,641***	,726*	-	-	-	-	**16,753***	3,996*	**19,288***	3,996*

** Expected cell frequency is less than 5, results are evaluated according to the more accurate P-value considered by the Fisher's exact test.

III. Is the relationship between Local Responsiveness of SHRD Practices and MNE Organizational Factors moderated by the *international experience of the MNE (age of the MNE internationally)*?

According to the findings, the relationship between local responsiveness of SHRD practices and all MNE organizational factors regarding MNE control orientation, MNE international orientation, and MNE international strategy and MNE national origin does not differ substantially for categories of internationally young MNEs and internationally old MNEs. The variable 'MNE international experience' did not influence the previously observed relationships.

IV. Is the relationship between Local Responsiveness of SHRD Practices and MNE Organizational Factors moderated by the *national origin of the MNE*?

Local Responsiveness of SHRD Practices * MNE Control Orientation * National Origin of the Subsidiary

In line with the paired chi-square tables, national origin had a moderating role only on the relationship between;

- local responsiveness of recruitment/selection criteria, staffing process, and MNE control orientation regarding strategic decisions,
- local responsiveness of recruitment/selection criteria, management of performance appraisal, management of career planning and MNE control orientation regarding investment decisions.

So, the proportion in the subsidiary population who intended to be locally responsive in developing SHRD practices was dependent on MNE control orientation regarding strategic and investment decisions being higher for European origin MNE subsidiaries than for American origin MNE subsidiaries (See Table 4.22).

Table 4.22. Paired Chi-Square Results for Local Responsiveness of SHRD Practices * MNE Organizational Factors * National Origin of the MNE

		I/R of SHRD Practices											
		Recruitment/ selection criteria		Staffing Process		Training Programs		Intl. vs Local Trainings		Management of Performance Appraisal		Career planning management	
		Chi-Square		Chi-Square		Chi-Square		Chi-Square		Chi-Square		Chi-Square	
		Eu	US	Eu	US	Eu	US	Eu	US	Eu	US	Eu	US
MNE Control Orien	Operat. Decisions	-	-	-	-	-	-	-	-	-	-	-	-
	Strategic Decisions	10,6	,727	4,92	1,81	-	-	-	-	-	-	-	-
	Investm. Decisions	8,02	2,12	-	-	-	-	-	-	9,39	6,27	5,14	6,27
	New Prod. Decisions	-	-	-	-	-	-	-	-	-	-	-	-
	Research Decisions	-	-	-	-	-	-	-	-	-	-	-	-

V. Is the relationship between Local Responsiveness of SHRD Practices and MNE Organizational Factors moderated by the *degree of presence of expatriates in the subsidiary*?

Local Responsiveness of SHRD Practices * MNE Control Orientation * Degree of presence of expatriates According to the paired chi-square results for each relationship (Table 4.23), the previously observed significant relationships between;

- the local responsiveness of performance appraisal management and investment decisions,
- the local responsiveness of career planning management and investment decisions are influenced by the inclusion of the third variable, degree of presence of expatriates in the subsidiary.

In line with the literature findings considering expatriates as 'culture carriers', significant results were found for the relationship between local responsiveness of SHRD practices and MNE control orientation for subsidiaries with few or no expatriates (2 or less). The relationship between local responsiveness of SHRD practices and MNE control orientation was stronger for subsidiaries employing a few expatriates or only host country citizens almost exclusively. Attributing the relationship to only few or no expatriates, an 'interaction effect' was employed.

Local Responsiveness of SHRD Practices * MNE International Orientation * Degree of presence of expatriates According to the findings (Table 4.23), the degree of presence of expatriates working in the subsidiary was not a moderating variable

influencing the relationship between local responsiveness of SHRD practices and MNE international orientation.

Local Responsiveness of SHRD Practices * MNE International Strategy * Degree of presence of expatriates The degree of presence of expatriates working in the subsidiary was not a moderating variable influencing the relationship between local responsiveness of SHRD practices and MNE international strategy.

Local Responsiveness of SHRD Practices * MNE National Origin * Degree of presence of expatriates Table 4.23 below has shown presence of expatriates moderated the original significant relationships between;

- the local responsiveness of staffing process and national origin of the MNE,
- the local responsiveness of management of performance appraisal and national origin of the MNE,
- the local responsiveness of career planning management and national origin of the MNE.

According to the pair of chi-square tests, the relationships were influenced and moderated by the parent country. The dependent relationship between localization of SHRD practices regarding recruitment/selection criteria and career planning management and MNE international orientation was valid for European subsidiaries only. The relationship between localization of performance appraisal management and national origin was not modified by the degree of presence of expatriates as examined in Table 4.23 below.

***In summary*,** 'degree of presence of expatriates in the subsidiary' did not really create a moderating effect on the previously observed bivariate relationships except for the relationship between local responsiveness of staffing, performance, career planning practices and MNE control orientation regarding investment decisions and national origin of the MNE. Accordingly, the fewer the degree of presence of expatriates, the more likely that local responsiveness of related SHRD practices were dependent on MNE control orientation and dependent on national origin. For other variables regarding, MNE international strategy, MNE international orientation and other MNE control orientation items, almost no moderating effect was found.

Table 4.23. Paired Chi-Square Results for Local Responsiveness of SHRD Practices * MNE Organizational Factors * Degree of presence of expatriates in the Subsidiary

		I/R of SHRD Practices											
		Recruitment/selection criteria		Staffing Process		Training Programs		Intl. vs Local Trainings		Management of Performance Appraisal		Career planning management	
		Chi-Square		Chi-Square		Chi-Square		Chi-Square		Chi-Square		Chi-Square	
		Few/No	Many	Few/No	Many	Few/No	Many	Few/No	Many	Few/No	Many	Few/No	Many
MNE Control Orientation	Operational Decisions	-	-	-	-	-	-	-	-	-	-	-	-
	Strategic Decisions	-	-	-	-	-	-	-	-	-	-	-	-
	Investment Decisions	-	-	**8.341***	5.367*	-	-	-	-	**7,991***	2,813*	**19,859***	4,154*
	New Product Decisions	-	-	-	-	-	-	-	-	-	-	-	-
	Research Decisions	-	-	-	-	-	-	-	-	-	-	-	-
MNE International Orientation	Top Management Hiring	-	-	-	-	-	-	-	-	-	-	-	-
	Top Management Performance	-	-	-	-	-	-	-	-	-	-	-	-
	Top Management Career	-	-	-	-	-	-	-	-	-	-	-	-
MNE International Strategy	Product Manufacturing	-	-	-	-	-	-	-	-	-	-	-	-
	Research Activities	-	-	-	-	-	-	-	-	-	-	-	-
	Product Differentiation	-	-	-	-	-	-	-	-	-	-	-	-
	Marketing Activities	-	-	-	-	-	-	-	-	-	-	-	-
MNE National Origin	National Origin	-	-	**5,222***	3.489*	-	-	-	-	**20.990***	3,235*	**19,852***	4,960*

** Expected cell frequency is less than 5, results are evaluated according to the more accurate P-value considered by the Fisher's exact test.

4.4.5.3 Multivariate Analyses with Subsidiary Characteristics

I. Is the relationship between Local Responsiveness of SHRD Practices and Environmental Factors moderated by the *age of the subsidiary*?

Local Responsiveness of SHRD Practices * Subsidiary's Dependence * Age of the Subsidiary According to the summary table 4.24 below**,** the original relationships between

- the local responsiveness of performance appraisal management and technology,
- the local responsiveness of career planning management and technology were modified by the third variable, age of the subsidiary. It was found that not the whole sample but those old subsidiaries which were dependent on the MNE in terms of technology and know-how tended to be more localized in SHRD practices regarding performance appraisal and career planning management practices.

Therefore, the age of the subsidiary was found to have a moderating role in the relationship between local responsiveness of SHRD practices regarding performance appraisal and career planning management processes and subsidiary's technological dependence on the MNE. So it can be inferred that there was an interaction effect on these relationships.

Local Responsiveness of SHRD Practices * Labor Law Influences * Age of the Subsidiary Table 4.24 below showed below that subsidiary age moderated the original relationships between local responsiveness of performance appraisal management, career planning management and labor law influence of justification of termination provision. According to the pair of chi-square tests, the relationships were found significant for subsidiaries that were considered older (that have been operating in Turkey more than 15 years). The results might show that the greater the subsidiary experience in the local environment, the less likely that there is an independent relationship between local responsiveness of SHRD practices and influence of institutional norms in the local environment.

Table 4.24. Paired Chi-Square Results for Local Responsiveness of SHRD Practices * Environmental Factors * Age of the Subsidiary

		I/R of SHRD Practices											
		Recruitment/selection criteria		Staffing Process		Training Programs		Intl. vs Local Trainings		Management of Performance Appraisal		Career planning management	
		Chi-Square		Chi-Square		Chi-Square		Chi-Square		Chi-Square		Chi-Square	
		Young	Old	Young	Old	Young	Old	Young	Old	Young	Old	Young	Old
Subsidiary's Dependence on the MNE/Local Resources	Technology	-	-	-	-	-	-	-	-	,786*	**13,274**	,430	**10,736**
	Know-How	-	-	-	-	-	-	-	-	-	-	-	-
	Raw Materials	-	-	-	-	-	-	-	-	-	-	-	-
	Finished Goods	-	-	-	-	-	-	-	-	-	-	-	-
Labor Law Influences	Influence of Employment Policies	-	-	-	-	-	-	-	-	-	-	-	-
	Influence of Justification of Termination Provision	-	-	-	-	-	-	-	-	3,474*	**8,167**	5,018*	**6,451**
Relationship with Local Networks	Customers/Consumers	-	-	-	-	-	-	-	-	,786*	**9,020**	,430*	**11,059**
	Competitors	-	-	-	-	-	-	-	-	-	-	-	-
	Local Distributors	-	-	-	-	-	-	-	-	-	-	-	-
	Local Suppliers	-	-	-	-	-	-	-	-	-	-	-	-

** Expected cell frequency is less than 5, results are evaluated according to the more accurate P-value considered by the Fisher's exact test.

Local Responsiveness of SHRD Practices * Relationship with Local Networks * Age of the Subsidiary Based on the paired chi-square results in Table 4.24, the relationship between the local responsiveness of performance appraisal management and subsidiary's response to the competitive situation was moderated by the subsidiary age. The significance of the relationship was evident for the older group of subsidiaries rather than for the younger ones.

In summary, in line with expectations regarding those older MNE subsidiaries could transfer their HRM practices at a lower rate than the younger MNE subsidiaries. The moderated relationships were heavily visible for previously observed relationships between;

- local responsiveness of SHRD practices (management of performance appraisal) and subsidiary's dependence on the local context (technology and know-how),
- local responsiveness of SHRD practices (management of performance appraisal and career planning management) and labor law influences (top management performance and career)
- local responsiveness of SHRD practices (management of performance appraisal) and relationship with local networks (customers/consumers, competitors)

The findings of this study also suggested that the moderated relationship between MNE organizational factors and local responsiveness of SHRD practices was significant being far ***stronger for old subsidiaries*** than for young subsidiaries.

II. Is the relationship between Local Responsiveness of SHRD Practices and Environmental Factors moderated by the *size of the subsidiary*?

Local Responsiveness of SHRD Practices * Subsidiary's Dependence * Size of the Subsidiary Subsidiary size moderated the relationship between local responsiveness of SHRD practices regarding management of performance appraisal, management of career planning and subsidiary's dependence on local resources regarding know-how (Table 4.25). Those respondents from small subsidiaries reported more locally responsive management of performance appraisal and management of career planning practices but for large subsidiaries the reverse might be true.

Local Responsiveness of SHRD Practices * Labor Law Influences * Size of the Subsidiary The size of the subsidiary also seemed to have a moderating role in the relationship between local responsiveness of management of performance appraisal and management of career planning and labor law influences as depicted in Table 4.25. As examined from the Table, the moderated relationship held for those respondents from small subsidiaries not from large subsidiaries.

Local Responsiveness of SHRD Practices * Relationship with Local Networks * Size of the Subsidiary According to the Table 4.25, holding for small subsidiaries, local responsiveness of SHRD practices regarding recruitment, staffing, international/local trainings, performance appraisal and management of career planning was found as dependent on other relational networks regarding subsidiary's competitive situation in the market.

In summary, subsidiary size had a moderating role in the relationships between;

- local responsiveness of SHRD practices (performance and management of career planning) and subsidiary's dependence (know-how),
- local responsiveness of SHRD practices (management of performance appraisal and management of career planning) and labor law influences regarding performance evaluations,
- local responsiveness of SHRD practices and subsidiary's competitive situation in the local environment.

Subsidiary size created a moderated relationship when an original relationship was found to hold for small subsidiaries of a sample. The discovery of such an interaction effect explained why there were different findings from paired chi-square tests.

Table 4.25. Paired Chi-Square Results for Local Responsiveness of SHRD Practices * Environmental Factors * Size of the Subsidiary

		I/R of SHRD Practices											
		Recruitment/selection criteria		Staffing Process		Training Programs		Intl. vs Local Trainings		Management of Performance Appraisal		Management of career planning	
		Small	Large	Small	Large	Small	Large	Small	Large	Small	Large	Small	Large
Subsidiary's Dependence on the MNE/Local Resources	Technology	-	-	-	-	-	-	-	-	-	-	-	-
	Know-How	-	-	-	-	-	-	-	-	**6,620***	,671*	**6,134***	1,893*
	Raw Materials	-	-	-	-	-	-	-	-	-	-	-	-
	Finished Goods	-	-	-	-	-	-	-	-	-	-	-	-
Labor Law Influences	Influence of Employment Policies	-	-	-	-	-	-	-	-	-	-	-	-
	Influence of Justification of Termination Provision	**5,850***	,298*	-	-	-	-	-	-	**8,700***	1,002*	**7,630***	2,300*
Relationship with Local Networks	Customers/Consumers			-	-	-	-	-	-	-	-	-	-
	Competitors	**8,104***	,016*	**9,469***	,069*			**7,323***	,495*	**15,972***	,878*	**8,192***	,878*
	Local Distributors	-	-	-	-	-	-	-	-	-	-	-	-
	Local Suppliers	-	-	-	-	-	-	-	-	-	-	-	-

** Expected cell frequency is less than 5, results are evaluated according to the more accurate P-value considered by the Fisher's exact test.

III. Is the relationship between Local Responsiveness of SHRD Practices and Environmental Factors moderated by the d*egree of presence of expatriates in the subsidiary*?

Local Responsiveness of SHRD Practices * Subsidiary's Dependence * Degree of presence of expatriates The results of the paired chi-square tests (Table 4.26) showed that degree of presence of expatriates had a moderating role in the relationship between local responsiveness of management of performance appraisal, management of career planning and subsidiary's dependence on the local context regarding know-how. The few the degree of presence of expatriates in the subsidiary, the more likely that those subsidiaries' related SHRD practices were locally responsive. The relationship between responsiveness of SHRD practices and subsidiary's dependence on the local context were far stronger for subsidiaries with low presence of expatriates than for subsidiaries with high presence of expatriates.

Local Responsiveness of SHRD Practices * Labor Law Influences * Degree of presence of expatriates According to the findings (Table 4.26), the relationship between local responsiveness of SHRD practices and Labor Law Influences did not differ substantially for categories of expatriates' low presence and high presence. The variable 'degree of presence of expatriates' did not influence the previously observed relationship.

Local Responsiveness of SHRD Practices * Relationship with Local Networks * Degree of presence of expatriates *P*resence of expatriates had a moderating impact on the relationship between responsiveness of SHRD practices (staffing process, management of performance appraisal and management of career planning) and other relational networks (subsidiary's competitive situation in the local market). The moderating impact was far stronger for category 'low presence' of expatriates than for category of 'high presence'.

Table 4.26. Paired Chi-Square Results for Local Responsiveness of SHRD Practices * Environmental Factors * Degree of Presence of Expatriates in the Subsidiary

		Local Responsiveness of SHRD Practices											
		Recruitment/selection criteria		Staffing Process		Training Programs		Intl. vs Local Trainings		Management of Performance Appraisal		Management of career planning	
		Low Presence	High Presence	Low Presence	High Presence	Low Presence	High Presence	Low Presence	High Presence	Low Presence	High Presence	Low Presence	High Presence
Subsidiary's Dependence on the MNE/Local Resources	Technology	-	-	-	-	-	-	-	-	-	-	-	-
	Know-How	-	-	-	-	-	-	-	-	**10,720***	1,371*	**8,879***	,289*
	Raw Materials	-	-	-	-	-	-	-	-	-	-	-	-
	Finished Goods	-	-	-	-	-	-	-	-	-	-	-	-
Labor Law Influences	Influence of Employment Policies	-	-	-	-	-	-	-	-	-	-	-	-
	Influence of Justification of Termination Provision	-	-	-	-	-	-	-	-	-	-	-	-
Relationship with Local Networks	Customers/Consumers	-	-	-	-	-	-	-	-	-	-	-	-
	Competitors	-	-	**7,093***	,171*	-	-	-	-	**12,664***	2,813*	**6,604***	1,252*
	Local Distributors	-	-	-	-	-	-	-	-	-	-	-	-
	Local Suppliers	-	-	-	-	-	-	-	-	-	-	-	-

** Expected cell frequency is less than 5, results are evaluated according to the more accurate P-value considered by the Fisher's exact test.

In summary, the relationships between two variables differed for the two category of the 'low presence' and 'high presence' of expatriates. On the other hand, the moderating effect was only visible in relations between;

- local responsiveness of performance appraisal management and management of career planning and subsidiary's dependence on the local context for technology;
- local responsiveness of hiring performance and management of career planning and subsidiary's response to competitive situation.

The 'degree of presence of expatriates' variable was not evident to have an interaction effect on other variables.

IV. Is the relationship between Local Responsiveness of SHRD Practices and Environmental Factors moderated by the i*nternational experience of the MNE (age of the MNE internationally)*?

MNE's international age did not substantially modify many of the relationships between environmental factors and local responsiveness of SHRD practices.

V. Is the relationship between Local Responsiveness of SHRD Practices and Environmental Factors moderated by the *national origin of the MNE*?

National Origin of the MNE did not have an interaction effect on the relationship between local responsiveness of SHRD practices and environmental factors including subsidiary's dependence on the local context, labor law influences and other relational networks.

4.4.6 Results of Hypotheses

1. **H_0: Multinational's organizational factors do not influence the degree to which MNE SHRD practices are adapted to the local environment.**

   H_1: Multinational's organizational factors influence the degree to which MNE SHRD practices are adapted to the local environment.

Based on all the tests of significance for testing four hypotheses, it can be concluded that MNEs' organizational factors may account for the extent to which subsidiaries' SHRD practices were developed and implemented in a locally responsive manner. Local responsiveness related to recruitment/selection criteria, management of performance appraisal and management of career planning were found to be strongly associated with national origin. Local responsiveness related to trainings was found to be not dependent on national origin and had no association with national origin. Excluding training programs, European subsidiaries were found to be more likely to adapt locally responsive human resource development practices than their American counterparts.

When MNEs follow a multi-domestic strategy in executing their international operations, their subsidiaries were more likely to implement locally responsive SHRD practices regarding recruitment/selection criteria, management of performance appraisal and management of career planning. Considering MNE international orientation, it was found that the more MNEs pursued a pure polycentric orientation rather than ethnocentric or geocentric orientation, the more the subsidiaries were likely to develop practices in a locally responsive manner. Among the SHRD practices, any developments related to training programs and international/local trainings were not dependent on all MNE organizational factors.

There was as well a statistically significant relationship between local responsiveness of SHRD practices in terms of recruitment/selection criteria, staffing process, management of performance appraisal, management of career planning and MNE control orientation regarding strategic and investment decisions. The relationships between new product decisions and local responsiveness of performance appraisal management and management of career planning were also found to be significant.

1.a H_0: There is no difference in local responsiveness of SHRD practices between European originated MNEs and American originated MNEs.

H_1: There is a difference in local responsiveness of SHRD practices between European originated MNEs and American originated MNEs.

Excluding, development of training programs and international/local trainings, there was a statistically significant relationship between local responsiveness of SHRD practices and national origin of the MNE subsidiary. European subsidiaries were more likely to adapt locally responsive human resource development practices than their American counterparts. This finding was in accordance with other research arguing that national origin of the MNE was a major factor for the trade-off between integration and responsiveness (Ngo et. al., 1998; Ferner, 1994; Schuler et. al. 1993).

Local responsiveness of recruitment/selection criteria, staffing process and national origin were associated in *relatively* strong fashion; whereas the local responsiveness of performance appraisal management and management of career planning and national origin were associated considerably strongly. The null hypothesis that there was no difference in local responsiveness of SHRD practices—except for development of training programs and international/local trainings- between European and American MNEs was rejected.

1.b H_0: Local responsiveness of SHRD practices is not dependent on MNE's international strategy.

H_1: Local responsiveness of SHRD practices is dependent on MNE's international strategy.

When MNEs followed a multi-domestic strategy in executing their international operations, their subsidiaries were more likely to implement locally responsive SHRD practices. The findings of this study presented that among the SHRD practices, local responsiveness of recruitment/selection criteria, performance appraisal management and management of career planning was dependent on MNE's international strategy- excluding research activities. However, for other SHRD practices—staffing process, training programs and international/local trainings- the relationships were found to be not dependent. Secondly, the strength of the relationships indicates that;

- The associations between local responsiveness of recruitment/selection criteria and product manufacturing; product differentiation, marketing activities relatively weakly associated.
- The associations between local responsiveness of performance appraisal management and product manufacturing, product differentiation, marketing activities are moderately associated.
- The associations between local responsiveness of career planning management and product manufacturing, product differentiation, marketing activities are moderately associated.

Therefore, the null hypothesis was rejected partially that local responsiveness of recruitment/selection criteria, performance appraisal management and management of career planning was dependent of MNE's international strategy regarding product manufacturing, product differentiation and marketing activities.

1.c H_0: Local responsiveness of SHRD practices is not dependent on MNE's international orientation.

H_1: Local responsiveness of SHRD practices is dependent on MNE's international orientation.

A dependent relationship was not detected between local responsiveness of training programs and international/local trainings and MNE international orientation. On the other hand, the significant relationships were found for recruitment/selection criteria, staffing process, performance appraisal management and management of career planning. It was found that the more MNEs pursued a pure polycentric orientation, the more likely subsidiaries develop the mentioned SHRD practices in a locally responsive manner. Therefore, the null hypothesis that 'the proportion in the subsidiary population who intend to be locally responsive in developing SHRD practices is not dependent on MNE international orientation' was partially rejected.

Second finding was related to the strength of the relationship. While the above relationships were found significant, the strength of the relationship between;

- local responsiveness of recruitment/selection criteria and polycentric orientation of top management development, top management career were relatively strong and positive.

- Local responsiveness of staffing process, performance appraisal management, management of career planning and polycentric orientation of top management development and top management career were moderate and positive.

1.d H_0: Local responsiveness of SHRD practices is not dependent on MNE's control orientation.

H_1: Local responsiveness of SHRD practices is dependent on MNE's control orientation.

A statistically significant relationship was clarified between local responsiveness of SHRD practices regarding recruitment/selection criteria, staffing process, performance appraisal management, management of career planning and MNE control orientation in terms of strategic and investment decisions. Another significant finding was that local responsiveness of SHRD practices only in terms of management of performance appraisal and management of career planning was dependent on MNE control orientation in terms of new product decisions. In addition, no statistically significant relationships were found for local responsiveness of all SHRD practices and MNE control orientation in terms of operational decisions and R&D decisions. Local responsiveness of SHRD practices related to training was found to be not dependent on MNE control orientation.

In addition, some findings were related to the strength of the relationships. While the mentioned relationships were significant, the associations between these relationships were relatively strongly related.

The null hypothesis was partially rejected that local responsiveness of recruitment/selection criteria, staffing process, management of performance appraisal and management of career planning was not dependent on MNE control orientation especially for strategic and investment decisions.

2. **H_0: Environmental factors do not influence the degree to which MNE SHRD practices are adapted to the local environment.**

   H_1: Environmental factors influence the degree to which MNE SHRD practices are adapted to the local environment.

The same as MNE organizational factors, environmental factors influenced the degree to which subsidiaries' SHRD practices were developed and implemented in a locally responsive manner.

Local responsiveness related to training programs and international/local trainings, management of performance appraisal and management of career planning were found to be strongly associated with subsidiary's dependence on the local context for technology and know-how. It was clarified that when subsidiaries were able establish good relationships with their networks such as customers/consumers, competitors, local suppliers, and distributors their staffing process, performance and management of career planning practices among SHRD practices were found to be more locally responsive.

Regarding labor law Influences, local responsiveness of staffing process were found to be dependent on the influence of employment policies based on Labor Code and Job Security Act. Additionally, local responsiveness of SHRD practices regarding management of performance appraisal were found to be dependent on the influence of justification of termination provision based on the new Job Security Act.

Still, among the SHRD practices, any developments related to recruitment/selection criteria were not dependent on all environmental factors. Local responsiveness of items related to training was not dependent on environmental factors except for subsidiary's dependence on the local context for technology and know-how.

2.a **H_0: Local responsiveness of SHRD practices is not dependent on subsidiary's dependence on the MNE/Local Context.**

   H_1: Local responsiveness of SHRD practices is dependent on subsidiary's dependence on the MNE/Local Context.

Local responsiveness of SHRD practices was found *partially* to be *dependent* on subsidiary's dependence on the MNE/local context. The findings of this study presented that there was a statistically significant relationship between local

responsiveness of training programs and international/local trainings, management of performance appraisal, management of career planning and dependence of the subsidiary on the local context for technology and know-how. When the subsidiaries were dependent on the local context for technology and know-how, their SHRD practices in terms of management of performance appraisal and management of career planning were developed locally responsively. However, for other SHRD practices—recruitment/selection criteria, staffing process—the relationship was found to be not dependent.

Second conclusion was related to the strength of relationships. While the relationships were found significant, local responsiveness of training programs and subsidiary's dependence were determined to be weakly related. However, the association between;

- local responsiveness of international/local trainings and subsidiary's dependence,
- local responsiveness of performance appraisal management and management of career planning and subsidiary's reliance on the local context for technology and know-how were moderate and positive.

2.b H_0: Local responsiveness of SHRD practices is not dependent of the relational networks the MNE subsidiary has established in the local environment.

H_1: Local responsiveness of SHRD practices is dependent of the Relationship with Other Networks the MNE subsidiary has established in the local environment.

With regard to this hypothesis, no dependent relationship has been detected between local responsiveness of recruitment/selection criteria, training programs and international/local trainings and subsidiary's relationship with other networks in the local environment. On the other hand, the significant relationships were found for staffing process, management of performance appraisal and management of career planning. Regarding HRM, Hannon et al. (1995) have stated that the HR policies and practices of MNE subsidiaries are influenced by the extensive operations of the network of *regulators, competitors* additional to the host institutions to the extent that they establish tight web of relationships with them. Similarly, it has been found that when subsidiaries are able establish good relationships with their networks regarding customers/consumers, competitors, local suppliers ans distributors, staffing

process, performance and management of career planning practices among SHRD practices are found to be more locally responsive.

Therefore, the null hypothesis that 'the proportion in the subsidiary population who intend to be locally responsive in developing SHRD practices is not dependent on subsidiary's relationship with other networks is rejected for staffing, performance appraisal, management of career planning.

2.c H_0: Local responsiveness of SHRD practices is not dependent on the Labor Law Influences in the local environment.

H_1: Local responsiveness of SHRD practices is dependent on the Labor Law Influences in the local environment.

With regard to this hypothesis, a dependent relationship was detected between local responsiveness of staffing process and influence of employment policies based on new Labor Code and Job Security Act. That means, when subsidiary conformed with the employment policies of the new Job Security Act, they were more likely to adapt their staffing process to the local context. In addition, significant dependent relationship was found between influence of justification of termination provision based on the new Job Security Act and local responsiveness of SHRD practices regarding management of performance appraisal.

3. H_0: There is no statistically significant relationship between MNE organizational factors and subsidiary characteristics interaction and local responsiveness of SHRD practices.

H_1: There is a statistically significant relationship between MNE organizational factors and subsidiary characteristics interaction and local responsiveness of SHRD practices.

The characteristics of the subsidiary (age, size, degree of presence of expatriates) influenced the original relationships between local responsiveness of SHRD practices and MNE organizational factors.

3.a H_0: Local responsiveness of SHRD practices is not dependent on the interaction between MNE organizational factors and size of the MNE subsidiary.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between MNE organizational factors and size of the MNE subsidiary.

The null hypothesis claiming 'subsidiary's size' having no interaction effect on the relationship between local responsiveness of SHRD practices and MNE organizational factors' was partially rejected. The alternative hypothesis was accepted only for the relationship between;

- Local responsiveness of staffing process, management of performance appraisal and management of career planning and MNE control orientation in terms of investment decisions,
- Local responsiveness of recruitment/selection criteria and management of career planning and MNE international orientation in terms of top management performance and career,
- Local responsiveness of career planning management and MNE international strategy in terms of product manufacturing and product differentiation,
- Local responsiveness of recruitment/selection criteria, staffing process, management of performance appraisal and management of career planning and national origin of the MNE.

When the previously observed relationships and paired chi-square tests were compared, differences of significance were found within the paired chi-square tests. Out of the paired chi-square tests, the relationship between local responsiveness of SHRD practices and MNE organizational factors were significant for small subsidiaries than for large subsidiaries. This finding was contrary to literature findings (Rosenzweig and Nohria, 1994) suggesting transferring HRM practices in small subsidiaries were easier than large subsidiaries which were more integrated with the local environment. Results from this study could be attributed to the possibility that small subsidiaries were more open to welcome the demands coming from the local environment. However, still the moderating influence of size needs to be further explored with a larger sample.

3.b H_0: Local responsiveness of SHRD practices is not dependent on the interaction between MNE organizational factors and age of the MNE subsidiary.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between MNE organizational factors and age of the MNE subsidiary.

In line with the literature findings, age of the MNE subsidiary had a moderating effect on the relationship between two variables. It was found that the interaction between MNE organizational factors and age of the subsidiary modified heavily local responsiveness of recruitment/selection criteria, staffing process, management of performance appraisal, management of career planning. The interaction however, had no influence on the local responsiveness of practices related to training. When the previously observed and significant bi-variate relationships were compared with paired chi-square findings, one of the paired results for young subsidiaries was found insignificant. The older the subsidiaries, the higher degrees of autonomy they enjoyed in the local environment and the more likely the HR practices were locally responsive.

Therefore, the hypothesis claiming 'subsidiary's age having no interaction effect on the relationship between local responsiveness of SHRD practices and MNE organizational factors' was partially rejected. The alternative hypothesis is accepted only for the relationship between;

- local responsiveness of staffing process and management of performance appraisal and MNE control orientation in terms of strategic and investment decisions.
- local responsiveness of recruitment/selection criteria, management of performance appraisal and management of career planning and MNE international orientation in terms of top management development and career,
- local responsiveness of performance appraisal management and management of career planning and MNE international strategy in terms of product differentiation.

3.c **H_0: Local responsiveness of SHRD practices is not dependent on the interaction between MNE organizational factors and the degree of presence of expatriates in the subsidiary.**

H_1: Local responsiveness of SHRD practices is dependent on the interaction between MNE organizational factors and the degree of presence of expatriates in the subsidiary.

Comparing the significant bivariate relationships between local responsiveness of SHRD and MNE organizational factors with multivariate analysis, it has been found that the more expatriates work in the subsidiary, the relationship between local responsiveness of SHRD and MNE organizational factors is not dependent on each other; and the less the degree of presence of expatriates, the relationship was found dependent. Fewer or no expatriates might provide the subsidiary with more flexibility in implementing MNE's parent HRD practices or modifying them according to the local needs.

The moderating effect of the 'degree of presence of expatriates' was specifically evident in the relationship between;

- local responsiveness of recruitment/selection criteria, management of performance appraisal, management of career planning and MNE control orientation in terms of investment decisions,
- local responsiveness of recruitment/selection criteria, performance appraisal management and management of career planning and national origin of the MNE. So the alternative hypothesis was accepted on these dimensions.

4. **H_0: There is no statistically significant relationship between MNE organizational factors and MNE characteristics interaction and local responsiveness of SHRD practices.**

H_1: There is a statistically significant relationship between MNE organizational factors and MNE characteristics interaction and local responsiveness of SHRD practices.

MNE characteristics considering international experience of the MNE did not have moderating effects on the relationship between MNE organizational factors and local responsiveness of SHRD practices. National origin seemed to moderate the relationship regarding strategic and control decisions only.

4.a **H_0: Local responsiveness of SHRD practices is not dependent on the interaction between MNE organizational factors and national origin of the MNE headquarters.**

H_1: Local responsiveness of SHRD practices is dependent on the interaction between MNE organizational factors and national origin of the MNE headquarters.

According to the findings, national origin moderated the relationship between,

- local responsiveness of recruitment/selection criteria, staffing process and MNE control orientation regarding strategic decisions,
- local responsiveness of recruitment/selection criteria, performance appraisal management and MNE control orientation regarding investment decisions.

The significant relationship between two variables for two categories (European and American) of MNE national origin was evident for European origin subsidiaries.

4.b **H_0: Local responsiveness of SHRD practices is not dependent on the interaction between MNE organizational factors and MNE international experience.**

H_1: Local responsiveness of SHRD practices is dependent on the interaction between MNE organizational factors and MNE international experience.

According to the findings, the relationship between localization of SHRD practices and all MNE organizational factors regarding MNE control orientation, MNE international orientation, and MNE national origin did not differ substantially for categories of internationally young MNEs and internationally old MNEs. Considering MNE international strategy, an interaction effect was found however, the relationship held true for internationally young MNEs than for old MNEs, contrary to the expectations. A further exploration may be required to re-test any effects. Therefore, the hypothesis that 'local responsiveness of SHRD practices is not dependent on the interaction between MNE organizational factors and MNE international experience' was in general failed to be rejected.

5. **H_0: There is no statistically significant relationship between environmental factors and subsidiary characteristics interaction and local responsiveness of SHRD practices.**

H_1: There is a statistically significant relationship between environmental factors and subsidiary characteristics interaction and local responsiveness of SHRD practices.

The characteristics of the subsidiary (age, size, degree of presence of expatriates) moderated the original relationships between local responsiveness of SHRD practices

and MNE organizational factors partially that the relationships between some of the sub-variables in SHRD practices and environmental factors were modified by this moderating variable. So the hypothesis stating no statistically significant relationship between environmental factors and subsidiary characteristics interaction and the SHRD practices was partially rejected.

5.a H_0: Local responsiveness of SHRD practices is not dependent on the interaction between environmental factors and size of the subsidiary.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between environmental factors and size of the subsidiary.

When the previously observed relationships and paired chi-square tests were compared, differences of significance were found within the paired chi-square tests. According to the findings, 'size of the subsidiary' had a moderating effect on the relationships between;

- Local responsiveness of performance appraisal management and management of career planning and subsidiary's dependence on the local context for technology,
- Local responsiveness of performance appraisal management and management of career planning and influence of Labor Law for performance evaluations,
- Local responsiveness of recruitment/selection criteria, performance appraisal management and management of career planning and subsidiary's relationship with competitors.

So, the moderating role of the size was also evident for environmental factors. The alternative hypothesis that 'Local responsiveness of SHRD practices was not dependent on the interaction between environmental factors and size of the subsidiary' was accepted for these dimensions.

From some of the paired chi-square tests, the relationship between local responsiveness of SHRD practices and environmental factors were significant for small subsidiaries than for large subsidiaries. This finding was contrary to literature findings (Rosenzweig and Nohria, 1994) suggesting transferring HRM practices in small subsidiaries were easier than large subsidiaries which were more integrated with the local environment. Results from this study could be attributed to the possibility that small subsidiaries could be less inclined to resist local pressures. On the other hand, further exploration may be required as there were more small

subsidiaries (35) than large subsidiaries (17) in the sample which might have accounted for these findings. Therefore, the hypothesis that 'local responsiveness of SHRD practices is not dependent on the interaction between environmental factors and subsidiary size' was not fully rejected.

5.b H_0: Local responsiveness of SHRD practices is not dependent on the interaction between environmental factors and age of the subsidiary.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between environmental factors and age of the subsidiary.

When the previously observed and significant bi-variate relationships were compared with paired chi-square findings for each value of the moderating variable, some of the paired results for old subsidiaries were found significant. The null hypothesis was rejected for the relationships between;

- Local responsiveness of performance appraisal and management of career planning processes and subsidiary's dependence on the local context for technology,
- Local responsiveness of performance appraisal management and subsidiary's relationship with competitors.

So, the hypothesis stating 'local responsiveness of SHRD practices is not dependent on the interaction between environmental factors and subsidiary age' was partially rejected.

5.c H_0: Local responsiveness of SHRD practices is not dependent on the interaction between environmental factors and the degree of presence of expatriates in the subsidiary.

H_1: Local responsiveness of SHRD practices is dependent on the interaction between environmental factors and the degree of presence of expatriates in the subsidiary.

The same as the moderating variables 'size' and 'age'; 'the degree of presence of expatriates' moderated some of the relationships between local responsiveness of SHRD and environmental factors. Therefore, the null hypothesis was rejected for the relationships between,

- Local responsiveness of management of performance and career planning and subsidiary's dependence on the local context for technology and know-how,
- Local responsiveness of performance appraisal management, management of career planning and subsidiary's relationship with competitors.

6. **H_0: There is no statistically significant relationship between environmental factors and MNE characteristics interaction and local responsiveness of SHRD practices.**

   H_1: There is a statistically significant relationship between environmental factors and MNE characteristics interaction and local responsiveness of SHRD practices.

MNE characteristics considering national origin of the MNE, international experience of the MNE did not have moderating effects on the relationship between environmental factors and local responsiveness of SHRD practices. So the results have failed to reject the null hypothesis.

6.a **H_0: Local responsiveness of SHRD practices is not dependent on the interaction between environmental factors and the national origin of the MNE headquarters.**

H_1: Local responsiveness of SHRD practices is dependent on the interaction between environmental factors and the national origin of the MNE headquarters.

According to the results, national origin of the MNE did not moderate the relationship between local responsiveness of SHRD practices and environmental factors including subsidiary's dependence on the local context, labor law influences and subsidiary's relationship with other networks. So the null hypothesis was failed to be rejected.

6.b **H_0: Local responsiveness of SHRD practices is not dependent on the interaction between environmental factors and MNE international experience.**

H_1: Local responsiveness of SHRD practices is dependent on the interaction between environmental factors and MNE international experience.

The relationship between responsiveness of SHRD practices (staffing, performance and management of career planning practices) and subsidiary's dependence on the local context for know-how were not moderated by the MNE's international experience. International experience of the MNE, defined in terms of age of the MNE in international markets did not have an interaction influence on the previously stated relationships. Therefore, the results generally failed to reject the null.

Conclusions

Internationalization of business with the acceleration led by 'globalization' have fueled a great wave for the development of MNEs. One of the most crucial dilemmas faced by MNEs is the contradictory pressures for being globally standardized or being locally responsive in managing business operations and practices. MNEs have therefore been concerned with striving for aligning their business policies and practices with the rest of the corporation (global integration) and for adapting these practices to the local environment in which their subsidiaries are operating (local responsiveness or adaptation).

IHRM practices of MNEs is one of the areas of attention that MNE organizations focus on. This is specifically because HR provide a source of competitive advantage to firms (Verbung, et. al., 1999; Ngo et.al., 1998; Lado and Wilson, 1994). MNEs require high coordination of its HR activities and management of people in different country locations. In addition, IHRM creates competitive advantage to the extent that IHRM practices are aligned with the strategies and core decisions of the organization and are integrated rather than being seperate tasks. Therefore, SIHRM replaces the IHRM for its integration among all HR practices.

As with many other business practices such as marketing, finance, manufacturing, MNEs are faced with the contradictory forces for global integration and local responsiveness regarding IHRM practices. The extent to which the subsidiaries function in a locally responsive manner or resemble those of the MNE parent is a major issue for MNEs (Myloni et. al., 2004; Ngo et. al., 1998.) MNE Headquarters may either export or transfer its own human resource practices to its subsidiaries or may act more autonomously in line with the local environmental needs or may act both locally responsive and integrated. The strategy an MNE pursues in this debate is

also related to different country locations and the strength of their legal, cultural and societal issues (Kidger, 2001).

The objective of this study is to contribute to the discussion in literature by investigating the way in which factors originating from MNE organizational and local environmental issues influence the local responsiveness of SHRD practices and whether subsidiary and MNE characteristics moderate the relationship between local responsiveness-global integration of SHRD and local environmental as well as MNE organizational factors. The reason for only covering SHRD practices (hiring practices, training, performance and career management) rather than all HRM practices—including compensation management - is based on previous experience that compensation management issue is generally treated in strict confidentiality by companies.

On the basis of the comprehensive review of literature from scholars, academicians, practititoners, a conceptual model with two main forces or dimensions are considered to influence the degree of local responsiveness or global integration of HRD practices in MNE subsidiaries—MNE Organizational Factors and Environmental Factors. Among the organization-environment theories, resource-dependence theory and institutional theory are taken as the point of origin in the model. MNE Organizational Factors included variables of 'MNE Control Orientation', 'MNE International Strategy', 'MNE International Orientation' and 'MNE National Origin' all of which have been previously examined to impact the transfer of IHRM. The same investigation had already been done by previous researchers for 'Environmental Factors' including 'Subsidiary's Dependence on the MNE/Local Context', 'Subsidiary's Relational Networks', 'Labor Law Influences'.

With respect to the contingency perspective, the firm unit level contingency variables are examined whether they impact the relationships. Variables such as size and age of the subsidiary, degree of presence of expatriates in the subsidiary named under 'subsidiary characteristics'; international experience of the MNE and MNE national origin named under 'MNE characteristics' are investigated whether each of them moderates the relationship between local responsiveness-global integration of SHRD

and MNE organizational factors and environmental factors. Besides, while national origin has been found to influence the degree of local responsiveness of MNEs; it is also questioned by some other authors (Ferner, 1994) that whether it has a moderating effect on the relationships. In order to describe and explain the impact of factors on SHRD practices, all three approaches are considered to be helpful in capturing a wide array of influences.

In this study, instead of conducting questionnaires that have previously been built up by other researcher, a new measurement scale has been developed to test the MNEs' local responsiveness of SHRD practices within the Turkish local context. The questionnaire has been administered to a sample population of 107 wholly foreign owned MNE subsidiaries from which the responses of 52 subsidiaries have been processed for analysis.

Within the sample of 52 MNE subsidiaries in Turkey, there were 22 German-origin, 20 USA-origin, 6 Dutch-origin and 4 British-origin MNE subsidiaries. The sample included predominantly German and USA origin subsidiaries with a few UK and Dutch firms. Due to the lack of representativeness of subsidiaries from UK and the Netherlands, they were included within the group of European-origin subsidiaries. Therefore, the national origin factor was divided into two groups, 1-European-origin subsidiaries, 2-American-origin subsidiaries. 30 out of 52 subsidiaries or 57,7 % of the MNE subsidiaries have been found to be operating in Turkey for more than 15 years.

According to the results of data analysis, multinational's organizational factors were found to influence the degree to which MNE subsidiary act autonomously and in a locally responsive manner in developing and implementing SHRD practices. Having analyzed the results of each variable within the MNE organizational factors, the following outcomes arise:

MNEs' organizational factors (MNE national origin, MNE international orientation, MNE control orientation, MNE international strategy) may account for the extent to which subsidiaries' SHRD practices are developed and implemented in a locally

responsive manner. Local responsiveness related to recruitment/selection criteria, management of performance appraisal and management of career planning are found to be dependent on national origin. In addition to the significance, there is a strong and positive relationship between national origin and local responsiveness of related SHRD practices. Excluding training programs, European subsidiaries are found to be more likely to adapt locally responsive human resource development practices than their American counterparts. The findings of this study are found to be consistent with the previous related research (Shen, 2005; Myloni et al., 2004; Ferner et. al., 2001; Tregaskis, 1998; Ferner 1997; Taylor et al.,1996; Ferner 1994). Kidger (2001) points to the national context affecting each country subsidiary of an MNE. Supporting this finding, Müller (1998) in addition states that US MNEs transfer their home country employment practices to the subsidiaries and are relatively centralized in their HRM practices. On the other hand, local responsiveness related to trainings is found to be not dependent of national origin and has no association with national origin. Similarly Müller (1998) in his research comparing a sample of German-owned and UK and US owned firms, found no major significant different with regard to training methods.

The fact that systematic variations exist in the ways in which MNEs from different country of origins manage their HR may also be attributed to the cultural differences among country of origins. As Hofstede (1980) has found collectivistic societies are less oriented toward individual pay for performance but more oriented toward retention-oriented compensation plans than individualistic societies. Socio-cultural values embedded in a country will influence the MNE behavior and therefore, the subsidiaries of the MNE. Nevertheless, influence of socio-cultural factors have not been covered within the research model in line with the objectives of this study since these factors require in-depth research in order to analyze and understand their influences on the subsidiary behavior.

Considering MNE international orientation, the study clarifies that the more MNEs pursue a pure polycentric orientation, the subsidiaries are found to develop the recruitment/selection criteria, staffing process, management of performance appraisal and management of career planning practices are both found to be dependent a

locally responsive manner. Schuler et. al. (1993) points the international orientation of the parent company (e.g. ethnocentric versus polycentric) influences the degree of standardization versus localization exercised by the MNE parent regarding subsidiary HRM practices.

Findings with regard to the MNE international strategy demonstrate that, when MNEs follow a multi-domestic strategy regarding manufacturing of products, product differentiation and marketing activities, their subsidiaries are more likely to implement locally responsive SHRD practices regarding recruitment/selection criteria, management of performance appraisal and management of career planning. The results are parallel with the studies of Taylor and Beechler (1996). An MNE with a multi-domestic strategy manages its subsidiaries in a way where the activities of one overseas affiliate do not affect the activities of another affiliate. Therefore, MNEs that pursue multi-domestic strategy are more independent and act locally in executing their SIHRM operations, whereas MNEs following a global strategy manage their subsidiaries as interdependent businesses and adopt integrative SIHRM practices. More recently, Kidger (2001) puts forward the linkage between global strategy and standardized HRM that in MNEs with a global strategy, the integration of operations are expected to be supported by the integration of management practices and global firms establish HRM policies in support of a global strategy.

Research results related to MNE international strategy is strongly supported by Hamel and Prahalad's work (1983). They highlighted the key factors impacting on the need for global integration and need for local responsiveness. The factors for global integration included targeting multinational customers demanding standardization of products and focusing on universal needs that might decrease product differentiation requirements. The factors for local responsiveness covered adaptation of products to local customers' tastes and preferences.

Regarding the factors of MNE control orientation aspect, previous research has found a relationship between international competitive strategies and degree of MNE control given to the subsidiaries (Taylor, et. al., 1996; Ferner , 1994). Recently, Tarique, Schuler and Yaping (2006) demonstrate that MNEs following a global

strategy are extremely centralized and manage their subsidiaries in a standardized manner without delegation of power. On the other hand, MNEs with a multi-domestic strategy are conversely decentralized and manage their subsidiaries with respect to the domestic-local market the subsidiary operates in. They delegate autonomy and power to subsidiaries with a concern to maximize responsiveness to local needs. So MNEs following global strategy with centralized power make decisions regarding subsidiary HRM at the MNE headquarters; MNEs following a multi-domestic strategy decentralize their power and autonomy to subsidiaries so that they develop HRM practices to be aligned with the local environment (Schuler et al., 1993).

Relatedly, statistically significant relationships are detected between local responsiveness of SHRD practices in terms of recruitment/selection criteria, staffing process, management of performance appraisal, management of career planning and MNE control orientation in strategic and investment decisions. The relationships between new product decisions and local responsiveness of performance appraisal management and management of career planning are also found to be significant. In addition, the associations are found as relatively strong and positive. The more subsidiaries are likely to take part in strategy and investment related decision-making processes, the more autonomy they have in designing related human resource development practices in a locally responsive manner.

The predominant strategic human resource development practices that have been found to be influenced in MNE organizational factors are recruitment/selection criteria, staffing process, management of performance appraisal and management of career planning. However, local responsiveness of training programs and international/local trainings are not found to be dependent on MNE organizational factors.

The same as MNE organizational factors, environmental factors (subsidiary dependence on the MNE/local context, labor law influences, subsidiary's relationship with local networks) also influence the degree to which subsidiaries' SHRD practices are developed and implemented in a locally responsive manner.

Regarding subsidiary's dependence on the MNE/local context, the findings suggest that when subsidiaries are less dependent on the MNE rather than local context for different resources—specifically technology, know-how- the subsidiaries are less influenced by MNE parent practices, and hence become more autonomous and adapt the local context. Similar findings have been previously introduced by Gupta and Govindarajan (1991). Moreover, Rosenzweig and Nohria (1994) demonstrate that dependence upon the local environment for inputs is one of the independent variables having significant effects on HRM practices.

The data from the study regarding the influence of the subsidiary's local relational networks on the local responsiveness of SHRD practices provide significant results. Accordingly, when subsidiaries are able to establish tight web of relationships with the local networks, their SHRD practices related to specifically staffing process, performance and management of career planning are locally responsive. The association between these variables can be attributed to the autonomy and flexibility of the subsidiaries such that they both form extensive relationships with the local network and also design and develop their business practices as well as human resource practices corresponding to the local operating environment. The finding is also partly in accordance with the literature. Research has showed that subsidiaries behave differently within the MNE that they set up diverse interrelationships among other subsidiaries of the MNE as well as local suppliers, distributors, customers and competitors in the host countries (Liang and Nicholas, 2007; Hannon, et. al.,1 995). From a cultural perspective, for instance, distribution of most foreign products in Turkey takes place through local distributors most of whom have a dealer network throughout the country. It is important from the view of local distributors to maintain close personal contact with their foreign principals as a marketing necessity (Cavusgil, Civi, Tutek, and Dalgic, 2003). They argue that Turks are found to be quite emotional. So, this concern of personal contact usually reside in the emotional characteristic of the Turkish culture which can lead to another topic of study.

As hypothesized, the new Labor Code (No.4857) and Job Security Act of Turkey as one of the strongest influences by local institutions, is significantly dependent on local responsiveness of SHRD practices regarding staffing process and management

of performance appraisal. Support to this finding have come from research by institutional theorists proposing social forces have an impact on organizational structure and behavior such that they influence company practices systematically resulting in processes that reflect national patterns (Myloni, et. al., 2004). Jain et. al. (1998) argue similarly that specific practices of the subsidiary are often mandated by local laws and regulations.

Still, among the SHRD practices, any developments related to recruitment/selection criteria are independent of all environmental factors. Local responsiveness of items related to training are independent of environmental factors except for subsidiary's dependence on the local context for technology and know-how and for subsidiary's relation to other networks regarding local suppliers and local distributors.

The analysis also revealed interaction (moderating) influences on the relationship between local responsiveness of relevant SHRD practices and MNE organizational and local environmental factors. The structural characteristics of the subsidiary such as size, age, expatriates and the MNE characteristics such as international experience were questioned whether or not they pose any interaction effect on the relationships. Previous studies generally focused on the influence of these factors on the I/R of HRM practices by taking them either as independent variables or as control variables (e.g., Liang and Nicholas, 2007; Jakobsen and Rusten, 2003; Rosenzweig and Nohria, 1994).

Regarding the size of the subsidiary that is operationalized by the total number of employees working for the subsidiary, an interaction effect is determined for the relevant statistically significant relationships between MNE organizational factors (control orientation, international orientation, international strategy, national origin) and local responsiveness of SHRD practices regarding recruitment/selection, staffing, performance and management of career planning. Other interaction effect is also found for the relevant statistically significant relationships between environmental factors (subsidiary's dependence on the MNE/local context, labor law influences and subsidiary's relationship with local networks) and local responsiveness of SHRD practices relating to performance appraisal and

management of career planning. More specifically, the relationships hold for smaller subsidiaries than for large subsidiaries. This finding is actually contrary to the hypothesis of the present study as well as research conducted by Rosenzweig and Nohria (1994) and Myloni et al. (2004). Myloni et al. (2004) put forward that larger subsidiaries come to use more traditional local practices and that HRM practices are harder to be imported to large subsidiaries. The result from this present research can be attributed to the lower level of resistance of smaller subsidiaries against the pressures for local responsiveness than of large subsidiaries. However, given that various diverse findings, subsidiary size can be considered to have an ambiguous or influence on the localization of human resource practices and may require further exploration.

In terms of subsidiary age, operationalized as total number of years the subsidiary has been operating in Turkey, the relevant statistically significant relationships according to bivariate analysis between local responsiveness of SHRD practices and MNE organizational factors except for national origin differs substantially for young and old MNE subsidiaries. Similar impact holds true for environmental factors. The relationships hold for old subsidiaries than for young subsidiaries. Consistent results are achieved by Rosenzweig and Nohria (1994) that as subsidiaries become older; they are more likely to resemble the host environment. Myloni et al. (2004) put forward that due to the higher level of autonomy, older MNE subsidiaries can transfer their HRM practices at a lower rate than the middle-aged MNE subsidiaries. This can be explained such that the older the subsidiaries become, the higher the level of control or in other words increased decentralization of autonomy are enjoyed by the subsidiaries allowing them act responsively to local needs.

The last subsidiary characteristic taken to investigate any moderating effect is high/low presence of expatriates. Relevant statistically significant relationships according to bivariate analyses between local responsiveness of SHRD practices and MNE organizational factors except for national origin differs substantially for low presence of expatriates and high presence of expatriates. The set of findings does not pertain to the sample as a whole but to subsidiaries with low presence of expatriates. Consistent findings have also been put forward by previous literature (Rosenzweig and Nohria; 1994; Edstrom and Galbraith; 1977). MNE subsidiaries with low

presence of expatriates may allow for more host country nationals which may react negatively to transferred policies that do not abide by institutional, cultural, social forces.

International experience— operationalized as the total number of years the MNE operates internationally-is found to have a moderating role in the relevant significant relationships in bivariate analysis between local responsiveness of SHRD practices related to staffing, performance appraisal, management of career planning processes and environmental factors regarding subsidiary's dependence on the local context for technology and know-how. Rosenzweig and Nohria (1994) also found a similar but a direct independent variable influence of the parent's international experience that the more the parent has international experience, the more likely that the MNE subsidiaries resemble local practices.

While the present study tries to understand the influence of 'national origin' whether or not it exerts an independent effects on the local responsiveness of SHRD practices, it also aims to investigate the relationships as to whether or not 'national origin' possess any moderating role. The inquiry arose from Ferner's (1994) concern about understanding the way in which variables interact. In line with the findings of the study, national origin is found to moderate the relationship between localization of SHRD practices (heavily recruitment/selection, staffing and as well as performance appraisal management and management of career planning) and MNE control orientation in making strategic decisions and investment decisions. An interaction effect has occurred that holds the relationship for European origin MNE subsidiaries. European MNE subsidiaries heavily consisted of German firms in the study. This result is similar to Dickmann's research (2003) where he argues that the HR investment orientation of a German foreign subsidiary depends on where the decisions are taken. The more the decisions are centrally taken, the less likely that HR investments are high locally.

This study started with an interest in understanding the pressures that shape SHRD practices in the MNE subsidiaries in Turkey. One of the crucial conclusions is that local responsiveness of SHRD practices are in close relationship with forces imposed from MNE organizational factors and forces embedded within the local context, with

the most important being national origin, followed by MNE control orientation, subsidiary's dependence on the local context, MNE international strategy, relationship with local customers and competitors. MNE subsidiaries which are from European-origin, possessing more autonomy and power through decentralized control by the headquarters, taking a multi-domestic strategy perspective are more likely to develop their SHRD practices in a locally responsive manner. Dependence on the local context specifically for technology and know-how and building extensive relationships with local customers/consumers and competitors, are also associated with local responsiveness of regarding HR. The related SHRD practices under the influence of these factors are primarily management of performance appraisal, management of career planning and also recruitment and selection criteria. Specific tendencies have been observed regarding local responsiveness of staffing process in the subsidiaries. Finally, the significant relationships hold true for old subsidiaries with a low presence of expatriates. The moderating influence of the subsidiary size needs further exploration.

The study has surveyed a comprehensive range of literature of MNEs and IHRM and provided a conceptual model of determinants of SHRD practices in MNE subsidiaries. The conceptual model was tested within the Turkish context and allowed the study support that various independent variables pose influences on specific SHRD practices at varying degrees. In addition, moderating influences were observed which held relationships valid for some categories but not for others.

Conducting the present study has useful implications both for academicians and business practitioners in the human resource field. Regarding academicians, this study is considered to be the first in Turkey—as a dynamic and transitional economy, in terms of investigation of integrative and divergent forces impacting the human resource development practices through considering institutional theory, resource dependence theory and contingency theory. Therefore, the study can be a starting point giving rise to the future related research within the Turkish context or to a nationwide comparative research. It can be also applied for other national contexts since all the factors arisen in this model have been found as influential by previous studies.

Considering business practitioners in the HR field, this study can help in three ways: First, when subsidiary managers have an interest in understanding the factors shaping localization-integration of HR practices, the present finding may provide a comprehensive knowledge for which MNEs with different organizational factors manage HR internationally. Second, those subsidiary managers who experience problems as their MNE headquarters dictate and attempt to transfer their standardized HR practices with minor or no modifications, the study provides guidance to the managers by which they can present valid justifications for requirements of localization or standardization to MNE headquarters. Local managers may be able to win the opportunity to adapt global policies and to negotiate more freedom and initiative with respect to the headquarters. Further, home-country management may grasp the ways in which their HR practices can or can not be utilized in diverse host settings.

Finally, there is no one big solution for MNEs selecting a globally oriented or locally responsive perspective in managing their businesses. The research recommends that either locally responsive or globally integrated, SIHRM practices executed by subsidiaries should be investigated through the framework of the pressures imposed from organization-specific factors embedded in the MNE and different local and national contexts MNE operates in.

Limitations of the Study

While I/R framework and its relation to HR practices received much attention in the academic and business literature, this field of investigation is not without its limitations. First, this study focused only on MNE subsidiaries in Turkey but not included their MNE headquarters considering the difficulties in accessing the HR responsibles in the MNE headquarters. Conducting a more comprehensive study by involving managers from both MNE headquarters and subsidiaries would provide stronger and comparative data.

Second concern is related to the type of data collected. Factual data—rather than perceptual— were collected regarding the organizational and environmental factors and how the HRM operations in subsidiaries. Therefore, the measurement instrument is based on nominal and categorical data which drives for non-parametric-rather than parametric analysis, mainly cross-tabs and chi-square which is concerned with examining the significance of the relationship between two variables. Since the study was based on investigating direct impact of specific forces, a relationship of dependence rather than independence is examined.

Third limitation is that when the sample size was formulated, it was nearly impossible to differentiate and select them on the basis of organizational structure and their flow of reporting to central headquarters or regional headquarters or both. While some of the subsidiaries in Turkey were given the role of a 'subsidiary' or 'branch', other subsidiaries operate both as regional headquarters and 'subsidiaries'. So, both forms of MNEs were included in the study.

One of the priorities of the study was to investigate nation-wide differences. Though the study involved German, Dutch, British and USA-origin MNE subsidiaries to examine and compare country-of-origins, data were collected from very few Dutch

and British-origin MNE subsidiaries that they had to be included within the German-origin category and named as category with 'European-origin' subsidiaries. Therefore, it was only possible to make a comparison on the basis of European and American MNEs.

Finally, due to the geographical distance of the researcher to the local context the research was conducted only mail-based survey was implemented. However, complementing survey techniques with qualitative case studies would be much more useful for more in-depth data collection.

Implications for Further Research

This study with its model and research results is considered to be an important step in providing valuable insights into the determinants for local responsiveness of SHRD practices, many further research implications can be recommended.

First, a larger sample of subsidiaries from different national origins each of which represents its country of origin within the sample would be appropriate to provide benchmarking on the basis of European MNEs.

Second, instead of developing the research around institutional and/or resource dependence theories, cultural perspective can also be taken to visualize the behaviors of organizations from that scope.

Third implication may be investigating the MNE subsidiaries in Turkey and subsidiaries of the same MNEs in other county-of-origins. More comparative and clear-cut results for the degree of I/R of SHRD practices in subsidiaries are provided regarding the forces coming from the MNE and forces coming from the local environments. One approach would be to use in-depth case study research.

Fourth, given the subsidiary and MNE characteristics may moderate the relationship between local responsiveness of SHRD practices and specific factors related to MNE organization and local environment, future research that provides control for the contingent variables, can be conducted to examine unique effects of the independent variables.

Final recommendation for future research will be investigating the conceptual framework as to whether they hold for other business functions within MNEs as well as international human resource management.

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Appendix A Questionnaire Form (English)

Dear Respondent,

This questionnaire is prepared for an academic research project under license from Işık University Social Sciences Institute in Istanbul-Turkey. The objective is to examine the interaction between the Headquarters and the Subsidiaries of multinational corporations in terms of IHRD practices in Turkey. Before filling out the questionnaire, please read the following information below:

- The 'Headquarters' refers to the central parent company located in the home country.
- The 'Organization or Subsidiary' refers to the company you are working for in Turkey, it is a branch of the headquarters in the host country-Turkey.
- The 'Regional Headquarters' refers to the geographical region the subsidiary in Turkey reports to.
- The 'personnel' only refers to white-collar personnel. Blue-collar personnel are not included in our research framework.
- The questionnaire will approximately take 15 minutes to be completed.
- The findings found interesting will be disclosed to the respondent firms upon the completion of the study.
- It is appropriate that this questionnaire form is at least filled by a specialist, supervisor or managerial position in the Human Resource Department/Division.
- The name of the respondent firm should not be written on the questionnaire form.
- The answers and the identity of the respondent firms will be kept in strict confidentiality. The answers to questions in the form will be anonymously evaluated.
- Your response is very important and integral to the study. Please answer each question completely and frankly.
- It is requested that the filled-out questionnaire forms are sent directly to the e-mail or postal address below until **June 15, 2007** :

gaye.ozcelik@isikun.edu.tr

gayeozcelik@yahoo.com

Your participation is greatly appreciated. Thank you for your contributions.

Sincerely,

Prof. Dr. Toker Dereli

Işık University

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Department of Management

Gaye Özçelik

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MULTINATIONAL'S HUMAN RESOURCE DEVELOPMENT PRACTICES QUESTIONNAIRE

PART I of V *If your fill-out the questionnaire on the computer, you may simply copy and paste the sign - ■ – on the left of the answer.*

1. The national origin of your organization (subsidiary in Turkey):	☐ USA ☐ Germany	☐ The Netherlands ☐ The United Kingdom	☐ Other (please specify)……

2. For how many years has your organization (subsidiary in Turkey) been operating in Turkey?
☐ 1 –5 years ☐ 11-15 years
☐ 6 - 10 years ☐ 16 years and above

3. How many employees have been working for your organization (subsidiary in Turkey)? …….. (also in numbers)
☐ 1 – 199 ☐ 500-999
☐ 200 – 499 ☐ 1000 and above

4. For how many years has the headquarters started to operate in ***international markets***? ……

5. In which sector does your organization (subsidiary in Turkey) operate?

☐ High Technology- Software	☐ Fast Moving Consumer Goods	☐ Pharmaceutical / Health
☐ Construction	☐ Durable Goods	☐ Electric-Electronic
☐ Transportation	☐ Finance, Insurance, Banking	☐ Education
☐ Tourism	☐ Agriculture	☐ Communal and social service activities
☐ Automotive	☐ Energy	☐ Other……

6. Does your organization belong to? ☐ Manufacturing Sector ☐ Service Sector

7. How many expatriates currently work in the middle management and above in your organization (subsidiary in Turkey)? ……

8. What is the highest position in the human resources (personnel) field in your organization?
☐ Personnel Director ☐ HR Director
☐ Personnel Manager ☐ HR Manager
☐ Assistant GM Responsible for HR ☐ Other

9. Where does your organization (subsidiary in Turkey) report the following? (More than one option can be selected.)

Total sales revenue	☐ Headquarters	☐ Regional Headquarters	☐ Other (please specify)
Sales revenue by product line	☐ Headquarters	☐ Regional Headquarters	☐ Other……
Turnover ratio	☐ Headquarters	☐ Regional Headquarters	☐ Other……
Number of recruits	☐ Headquarters	☐ Regional Headquarters	☐ Other……
Number of terminations	☐ Headquarters	☐ Regional Headquarters	☐ Other……
Number of promotions	☐ Headquarters	☐ Regional Headquarters	☐ Other……
Average training hours	☐ Headquarters	☐ Regional Headquarters	☐ Other……
Average performance grades	☐ Headquarters	☐ Regional Headquarters	☐ Other……

10. How often does your organization (subsidiary in Turkey) report the following?

Total sales revenue	☐ Annually	☐ Quarterly	☐ Monthly	☐ Weekly	☐ None
Sales revenue by product line	☐ Annually	☐ Quarterly	☐ Monthly	☐ Weekly	☐ None
Turnover ratio	☐ Annually	☐ Quarterly	☐ Monthly	☐ Weekly	☐ None
Number of recruits	☐ Annually	☐ Quarterly	☐ Monthly	☐ Weekly	☐ None
Number of terminations	☐ Annually	☐ Quarterly	☐ Monthly	☐ Weekly	☐ None
Number of promotions	☐ Annually	☐ Quarterly	☐ Monthly	☐ Weekly	☐ None
Average training hours	☐ Annually	☐ Quarterly	☐ Monthly	☐ Weekly	☐ None
Average performance grades	☐ Annually	☐ Quarterly	☐ Monthly	☐ Weekly	☐ None

11. How is your organization's (subsidiary in Turkey) HR budget formulated?
☐ Central headquarters sets the budget only
☐ Central headquarters sets the budget and considers my organization's input
☐ My organization set the budget together with central headquarters
☐ My organization formulates the budget and submits to central headquarters for approval
☐ My organization sets the budget only
☐ Regional headquarters sets the budget only
☐ Other……

12. For how long is the HR budget formulated by your organization (subsidiary in Turkey)?
☐ 2-3 months
☐ 3-6 months
☐ 1 year
☐ 2-3 years
☐ more than 2-3 years

PART II of V (Please choose **only one** of the listed answers for each question, unless the answer is not in the list, you may fill-out the **'other'** option.)

13. Which party develops the recruitment and selection criteria that are used in your organization (subsidiary in Turkey)?	□ the headquarters alone □ the headquarters alone, together with my organization's suggestions □ the headquarters and my organization in collaboration □ my organization alone □ the regional headquarters alone □ other -
14. Which party develops employee staffing process that are used in your organization (subsidiary in Turkey) ?	□ the headquarters alone □ the headquarters alone, together with my organization's suggestions □ the headquarters and my organization in collaboration □ my organization alone □ the regional headquarters alone □ other -
15. Which party develops the training programs used in your organization (subsidiary in Turkey)?	□ the headquarters alone □ the headquarters alone, together with my organization's suggestions □ the headquarters and my organization in collaboration □ my organization alone, together with headquarters' suggestions □ the regional headquarters alone □ other -
16. The personnel in your organization (subsidiary in Turkey) are usually	□ sent to international training programs as set by the headquarters □ sent to international and local training programs as set by the headquarters □ sent to international and local training programs as set by the headquarters and my organization □ sent to local training programs as set by my organization □ sent to training programs as set by the regional headquarters □ other -
17. Which party develops the performance appraisal process used in your organization (subsidiary in Turkey)?	□ the headquarters alone □ the headquarters alone, together with my organization's suggestions □ the headquarters and my organization in collaboration □ my organization alone □ the regional headquarters alone □ other -
18. Which party determines the frequency of the appraisals in your organization (subsidiary in Turkey)?	□ the headquarters alone □ the headquarters alone, together with my organization's suggestions □ the headquarters and my organization in collaboration □ my organization alone □ the regional headquarters alone □ other -
19. Which party evaluates the performance appraisals of top management (directors, ass. gen. mngrs., etc.) your organization (subsidiary in Turkey)?	□ the headquarters alone □ the headquarters alone, together with my organization's suggestions □ the headquarters and my organization in collaboration □ my organization alone □ the regional headquarters alone □ other -
20. How do you describe the career planning system in your organization (subsidiary in Turkey)?	□ a standard system on a worldwide scale developed by the headquarters □ a system developed by the headquarters with subsidiary's suggestions □ a system developed by the headquarters and my organization in collaboration □ a system created by my organization with headquarters' suggestions □ a system created by regional headquarters □ other -

21. Which expatriates are staffed to critical positions in your organization (subsidiary in Turkey)?	□ Managers who are charged with by headquarters considering nationality □ Managers who are charged with by headquarters, regardless of nationality □ Managers who are charged with by my organization □ Managers who are charged with by headquarters, by regional headquarters or by my organization □ other -
22. Who determines the career and succession planning of top management (directors, ass. gen. mngrs., etc.) in your organization (subsidiary in Turkey)?	□ the headquarters alone □ the headquarters alone, together with my organization's suggestions □ the headquarters and my organization in collaboration □ My organization alone, together with headquarters' suggestions □ the regional headquarters alone □ other -
23. Regarding new employment policies (working hours, vacation policy, trial period) based on new Turkish Labor Code and Job Security Act (No.4857), which of the following does your organization (subsidiary in Turkey) implement?	□ My organization has been influenced by and *totally* conforms with the new employment policies (working hours, vacation policy, trial period, etc.) imposed by the Labor Code and Job Security Act. □ My organization has not been fully influenced by and does not totally conform with the new employment policies (working hours, vacation policy, trial period, etc.) imposed by the Labor Code and Job Security Act. □ other -
24. Regarding 'termination of employment contract based on a valid reason' provision and its relation to employee performance, which of the following does your organization (subsidiary in Turkey) implement?	□ My organization's performance appraisal process has been influenced by the new provision and necessary changes have been made in accordance with the new Law. □ My organization's performance appraisal process has not been influenced by the new provision *by no means*. □ other -

PART III of V (Please choose **only one** of the listed answers for each question, unless the answer is not in the list, you may fill-out the **'other'** option.)

25. Which party decides on the set of operational rules and policies in your organization (subsidiary in Turkey) in general considering business operations?	□ the headquarters alone □ the headquarters together with my organization's suggestions □ the headquarters and my organization in collaboration □ my organization together with headquarters' suggestions □ my organization alone □ the regional headquarters alone □ other -
26. Which party decides on the strategic decisions in your organization (subsidiary in Turkey) in general considering business operations?	□ the headquarters alone □ the headquarters together with my organization's suggestions □ the headquarters and my organization in collaboration □ my organization together with headquarters' suggestions □ my organization alone □ the regional headquarters alone □ other -
27. Which party decides on the investment decisions in your organization (subsidiary in Turkey)?	□ the headquarters alone □ the headquarters together with my organization's suggestions □ the headquarters and my organization in collaboration □ my organization together with headquarters' suggestions □ my organization alone □ the regional headquarters alone □ other -
28. Which party decides on the introduction of a new product in your organization (subsidiary in Turkey)?	□ the headquarters alone □ the headquarters together with my organization's suggestions □ the headquarters and my organization in collaboration □ my organization together with headquarters' suggestions □ my organization alone □ the regional headquarters alone □ other -

29. Which party decides on research and development activities in your organization (subsidiary in Turkey)?	□ the headquarters alone □ the headquarters together with my organization's suggestions □ the headquarters and my organization in collaboration □ my organization together with headquarters' suggestions □ my organization alone □ the regional headquarters alone □ other -
30. Which party decides on hiring top executives in your organization (subsidiary in Turkey)?	□ the headquarters alone □ the headquarters together with my organization's suggestions □ the headquarters and my organization in collaboration □ my organization together with headquarters' suggestions □ my organization alone □ the regional headquarters alone □ other -
31. The products are manufactured by	□ the headquarters alone □ the the headquarters and the regional headquarters □ the headquarters, regional headquarters and regional subsidiaries (including my organization) working closely □ the regional headquarters and regional subsidiaries (including my organization) □ the regional subsidiaries (including my organization) □ other -
32. The research and development activities in your organization (subsidiary in Turkey) are executed by	□ the headquarters alone □ the headquarters and regional headquarters working closely □ the headquarters, regional headquarters and regional subsidiaries (including my organization) working closely □ the regional headquarters and regional subsidiaries (including my organization) working closely □ the regional subsidiaries (including my organization) □ other -
33. With regard to product differentiation in your organization (subsidiary in Turkey),	□ Products are standardized on a worldwide scale by the *headquarters* □ Considering standardization and global issues in accordance with the needs of the regional market, *central headquarters and/or regional headquarters* engage in product modifications □ Considering standardization and global issues in accordance with the needs of the regional/local market, *regional headquarters and/or regional sister subsidiaries* (including my organization) engage in product modifications □ In accordance with the needs of the regional/local market, regional subsidiaries (including my organization) engage in product modifications □ Other -
34. The marketing activities in your organization (subsidiary in Turkey) are	□ standardized on a worldwide scale and coordinated by the *headquarters* □ coordinated by *central headquarters and regional subsidiaries* (including my organization) in accordance with the needs of the regional market and also considering standardization and global issues □ coordinated by *regional headquarters and regional subsidiaries* (including my organization) in accordance with the needs of the regional/local market and also considering standardization and global issues □ coordinated by *regional subsidiaries* (including my organization) considering differentiated regional/local market demands □ Other -

PART IV of V (Please choose **only one** of the listed answers for each question, unless the answer is not in the list, you may fill-out the **'other'** option.)

35. From where does your organization (subsidiary in Turkey) *heavily* derive its technology?	□ It is transferred from the headquarters □ It is transferred from the headquarters considering the suggestions and needs of my organization □ It is derived through the headquarters and subsidiary in collaboration □ It is developed from within my organization considering the suggestions of the headquarters □ It is developed from within my organization □ It is derived through collaboration of regional headquarters including my organization □ other
36. From where does your organization (subsidiary in Turkey) *heavily* derive its know-how and best practices?	□ They are transferred from the headquarters □ They are derived through the headquarters and my organization in collaboration □ They are developed from within my organization □ They are derived through collaboration of regional headquarters including my organization □ other
37. From where does your organization (subsidiary in Turkey) *heavily* derive the required capital for investment (such as plant, etc.)?	□ They are derived from the headquarters □ They are derived both from the headquarters and within my organization □ They are derived from within my organization □ They are derived from the regional headquarters including my organization □ They are transferred from any subsidiary worldwide depending on the needs □ other
38. From where does your organization (subsidiary in Turkey) derive the raw materials and/or partially finished goods?	□ They are derived from the headquarters □ They are derived both from the headquarters and within my organization □ They are derived from within my organization □ They are derived from the regional headquarters including my organization □ They are transferred from any subsidiary worldwide depending on the needs □ other
39. From where does your organization (subsidiary in Turkey) maintain the supply/transfer of finished goods?	□ They are derived from the headquarters □ They are derived both from the headquarters and within my organization □ They are derived from within my organization □ They are derived from the regional headquarters including my organization □ They are transferred from any subsidiary worldwide depending on the needs □ other

PART V of V

40. Generally speaking, how can you describe the relationship that your organization (subsidiary in Turkey) maintains with its customers and consumers? □ Very Extensive □ Extensive □ Do not Know / No Relationship □ Not Really Extensive □ Not Extensive at all
41. Generally speaking, how can you describe the relationship that your organization (subsidiary in Turkey) maintains with its competitors? □ Very Extensive □ Extensive □ Do not Know / No Relationship □ Not Really Extensive □ Not Extensive at all
42. Generally speaking, how can you describe the relationship that your organization (subsidiary in Turkey) maintains with market conditions? □ Very Extensive □ Extensive □ Do not Know / No Relationship □ Not Really Extensive □ Not Extensive at all
43. If your organization (subsidiary in Turkey) employs people who are members of local labor unions, how can you describe the relationship that your organization maintains with labor unions? □ Very Extensive □ Extensive □ Do not Know / No Relationship □ Not Really Extensive □ Not Extensive at all
44. If your organization (subsidiary in Turkey) has established partnerships with *local distributors*, how can you describe the relationship that your organization maintains with its local distributors? □ Very Extensive □ Extensive □ Do not Know / No Relationship □ Not Really Extensive □ Not Extensive at all
45. If your organization has established partnerships with *local suppliers*, how can you describe the relationship that your organization maintains with its local suppliers? □ Very Extensive □ Extensive □ Do not Know / No Relationship □ Not Really Extensive □ Not Extensive at all

DEMOGRAPHIC INFORMATION

Your Nationality: □ TC □ Diğer

Your Level of Education:
□ College □ University □ Master / M.B.A □ Ph.D. □ Other

Your job at present organization:

Tenure at present organization:

Your work experience at present organization (by years):

Multinational company work experience (by years):

Appendix B Questionnaire Form (Turkish)

Sayın Katılımcı,

Bu anket, bir araştırma projesi kapsamında Işık Universitesi Sosyal Bilimler Enstitüsü onayı ile gerçekleştirilmektedir. Araştırmanın amacı, Türkiye'de faaliyet gösteren çok uluslu firmalardaki insan kaynakları gelişim uygulamalarını Ana Merkez (Headquarters) ve Türkiye şubesi (subsidiary) etkileşimi çerçevesinde incelemektir. Ankete başlamadan önce, aşağıdaki bilgileri dikkate almanızı rica ederiz.

- Ankette adı geçen 'Ana Merkez' (headquarters) kavramı, çok uluslu firmanın Türkiye'de ve tüm dünyadaki şubelerinin (subsidiaries) bağlı bulunduğu merkez olarak tanımlıdır.
- Ankette adı geçen 'Firma' kavramı, sizin Türkiye'de çalışmakta olduğunuz, çok uluslu firmanın Türkiye'deki şubesi olarak tanımlıdır.
- Ankette 'Bölgesel Merkez' (regional headquarters) kavramı, Türkiye'deki şubenin ve yakın coğrafyadaki diğer şubelerin bağlı bulunduğu bölgesel merkez olarak tanımlıdır.
- Ankette adı geçen 'personel' tanımında, yalnızca beyaz yakalı personel ifade edilmektedir. Mavi yakalı personel araştırma kapsamı dışındadır.
- Anketin tamamlanma süresi yaklaşık olarak 15 dakikadır.
- Arzu edilmesi halinde, araştırmanın sonucunda ortaya çıkan anlamlı bulgular katılımcı firmalarla paylaşılacaktır.
- Anketin, Türkiye'deki şubenin İnsan Kaynakları/Personel Departmanı'nda görev yapan ve eğer mümkünse yönetmen (supervisor), müdür ya da dengi kademesindeki çalışan ya da yöneticiler tarafından doldurulması uygundur.
- Anketin hiçbir yerine kişi ve kurum ismi yazılmayacaktır.
- Ayrıca araştırmaya katılan tüm kişi ve kurumlar gizli tutulacak ve araştırma bulguları kimlik belirtmeksizin raporlanacaktır.
- Araştırmanın sağlıklı sonuçlara ulaşması, katılımın yüksek olmasına, tüm soruların cevaplanmasına ve cevapların dogru ifade edilmesine bağlıdır.
- İsim belirtilmeden doldurulan anketlerin en geç **15 Haziran 2007** tarihine kadar aşağıda belirtilen e-mail ya da posta adresine gonderilmesi rica olunur.

gaye.ozcelik@isikun.edu.tr

gayeozcelik@yahoo.com

Değerli katkılarınızdan dolayı çok teşekkür ederiz.

Saygılarımızla,

Prof. Dr. Toker Dereli

Işık Universitesi

Sosyal Bilimler Enstitüsü/
İşletme Bölümü

Gaye Özçelik

Işık Universitesi

Sosyal Bilimler Enstitüsü

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ÇOK ULUSLU FİRMALARDA
İNSAN KAYNAKLARI GELİŞİM UYGULAMALARI ANKETİ

BÖLÜM I-V *Çalışmayı, doğrudan bilgisayarda yapıyorsanız, yanıtınızın yanındaki ilgili boş kutuyu - ■ – işareti ile kopyalayabilirsiniz.*

1. Firmanızın (Türkiye'deki şube) orijin (menşei) ülkesi:
☐ Amerika Birleşik Devletleri ☐ Hollanda ☐ Diğer .....
☐ Almanya ☐ İngiltere

2. Firmanız (Türkiye'deki şube) kaç yıldır Türkiye'de faaliyet göstermektedir?
☐ 1 –5 yıl ☐ 11-15 yıl
☐ 6 - 10 yıl ☐ 16 ve üzeri

3. Firmanızda (Türkiye'deki şube) çalışan toplam personel sayısı ne kadardır? ..... (lütfen sayı olarak da belirtiniz.)
☐ 1 – 199 ☐ 500 – 999
☐ 200 – 499 ☐ 1000 ve üzeri

4. Ana Merkez'iniz (Headquarter) kaç yıldan beri uluslararası pazarlarda faaliyet göstermektedir? .....

5. Firmanız (Türkiye'deki şube) aşağıdakiler alanlardan hangisinde faaliyet göstermektedir?
☐ Yüksek Teknoloji-Yazılım ☐ Hızlı Tüketim Malları ☐ İlaç / Sağlık
☐ İnşaat ☐ Dayanıklı Tüketim Malları ☐ Elektrik-Elektronik
☐ Ulaştırma ☐ Finans, Sigorta, Bankacılık ☐ Eğitim
☐ Turizm ☐ Tarım ☐ Toplumsal, sosyal hizmet faaliyetleri
☐ Otomotiv ☐ Enerji ☐ Diğer……

6. Firmanız (Türkiye'deki şube) ☐ Üretim sektöründe faaliyet gösterir. ☐ Servis sektöründe faaliyet gösterir.

7. Firmanızın (Türkiye'deki şube) orta ve üst yönetim kademelerinde toplam kaç yabancı çalışanı vardır? ……

8. Firmanızda (Türkiye'deki şube) İnsan Kaynakları/Personel alanında görev yapmakta olan en yüksek pozisyonu belirtiniz.
☐ Personel Direktörü ☐ İnsan Kaynakları Direktörü
☐ Personel Müdürü ☐ İnsan Kaynakları Müdürü
☐ İnsan Kaynaklarından sorumlu Genel Müdür Yardımcısı ☐ Diğer

9. Firmanız (Türkiye'deki şube) aşağıdaki başlıklarla ilgili raporlamalarını hangi merci(ler)e yapmaktadır?

Toplamciro	☐ Ana merkez	☐ Bölgesel merkez	☐ Diğer.....
Ürün grubu bazında ciro	☐ Ana merkez	☐ Bölgesel merkez	☐ Diğer.....
Personel devir oranı	☐ Ana merkez	☐ Bölgesel merkez	☐ Diğer.....
İşe alınan personel sayısı	☐ Ana merkez	☐ Bölgesel merkez	☐ Diğer.....
İşten çıkartılan personel sayısı	☐ Ana merkez	☐ Bölgesel merkez	☐ Diğer.....
Terfi alan personel sayısı	☐ Ana merkez	☐ Bölgesel merkez	☐ Diğer.....
Ortalama eğitim saati	☐ Ana merkez	☐ Bölgesel merkez	☐ Diğer.....
Ortalama performans notları	☐ Ana merkez	☐ Bölgesel merkez	☐ Diğer.....

10. Firmanız (Türkiye'deki şube) aşağıdaki başlıklarla ilgili ne kadar sıklıkta raporlama yapmaktadır?

Toplamciro	☐ Yıllık	☐ Üç aylık	☐ Aylık	☐ Haftalık	☐ Hiç
Ürün grubu bazında ciro	☐ Yıllık	☐ Üç aylık	☐ Aylık	☐ Haftalık	☐ Hiç
Personel devir oranı	☐ Yıllık	☐ Üç aylık	☐ Aylık	☐ Haftalık	☐ Hiç
İşe alınanpersonel sayısı	☐ Yıllık	☐ Üç aylık	☐ Aylık	☐ Haftalık	☐ Hiç
İşten çıkartılan personel sayısı	☐ Yıllık	☐ Üç aylık	☐ Aylık	☐ Haftalık	☐ Hiç
Terfi alan personel sayısı	☐ Yıllık	☐ Üç aylık	☐ Aylık	☐ Haftalık	☐ Hiç
Ortalama eğitim saati	☐ Yıllık	☐ Üç aylık	☐ Aylık	☐ Haftalık	☐ Hiç
Ortalama performans notları	☐ Yıllık	☐ Üç aylık	☐ Aylık	☐ Haftalık	☐ Hiç

11. Firmanızda (Türkiye'deki şube) insan kaynakları bütçesi nasıl oluşturulmaktadır?
☐ Yalnızca Ana Merkez (headquarter) tarafından oluşturulur.
☐ Ana Merkez tarafından oluşturulur ve firmamızdan bununla ilgili bilgi alınır.
☐ Firmamız (Türkiye'deki şube) ve Ana Merkez işbirliğiyle oluşturulur.
☐ Firmamız (Türkiye'deki şube) tarafından oluşturulup, Ana Merkeze onay için gönderilir.
☐ Yalnızca Firmamız (Türkiye'deki şube) tarafından oluşturulur.
☐ Yalnızca Bölgesel merkez (regional headquarter) tarafından oluşturulur.
☐ Diğer……....

12. İnsan Kaynakları bütçesi firmanızda (Türkiye'deki şube) hangi sürelerde oluşturulur?
☐ 2-3 ay
☐ 3-6 ay
☐ 1 yıl
☐ 2-3 yıl
☐ 2-3 yıldan fazla

BÖLÜM II-V (Lütfen her soruda cevap seçeneklerinden **yalnızca birini** işaretleyiniz, seçeneklerde yer almayan bir cevap varsa, **'diğer'** bölümüne yazınız.

13. Firmanızda (Türkiye'deki şube) kullanılmakta olan işe alım kriterleri hangi merci tarafından geliştirilmektedir?	□ Yalnızca Ana Merkez tarafından geliştirilmektedir. □ Firmamızdan alınan öneriler doğrultusunda yalnızca Ana Merkez tarafından geliştirilmektedir. □ Ana Merkez ve firmamız ile birlikte geliştirilmektedir. □ Yalnızca firmamız tarafından geliştirilmektedir. □ Yalnızca Bölgesel Merkez tarafından geliştirilmektedir. □ Diğer -
14. Firmanızda (Türkiye'deki şube) işe alım süreci hangi merci tarafından geliştirilmektedir?	□ Yalnızca Ana Merkez tarafından geliştirilmektedir. □ Firmamızdan alınan öneriler doğrultusunda yalnızca Ana Merkesztarafından geliştirilmektedir. □ Ana Merkez ve firmamız ile birlikte geliştirilmektedir. □ Yalnızca firmamız tarafından geliştirilmektedir. □ Yalnızca Bölgesel Merkez tarafından geliştirilmektedir. □ Diğer -
15. Firmanızın (Türkiye'deki şube) yararlandığı eğitim programları hangi merci tarafından geliştirilmektedir?	□ Yalnızca Ana Merkez tarafından geliştirilmektedir. □ Firmamızdan alınan öneriler doğrultusunda yalnızca Ana Merkes tarafından geliştirilmektedir. □ Ana Merkez ve firmamız ile birlikte geliştirilmektedir. □ Yalnızca firmamız tarafından geliştirilmektedir. □ Yalnızca Bölgesel Merkez tarafından geliştirilmektedir. □ Diğer -
16. Firmanızda çalışan personel genellikle….	□ Ana Merkez tarafından belirlenen uluslararası eğitimlere gönderilirler. □ Ana Merkez tarafından belirlenen uluslararası ve yerel eğitimlere gönderilirler. □ Gerek Ana Merkez tarafından belirlenen uluslararası eğitimlere, gerekse firmamız tarafından belirlenen yerel eğitimlere gönderilirler. □ Firmamız tarafından belirlenen yerel eğitimlere gönderilirler. □ Firmamız ve bağlı bulunduğu Bölgesel merkez tarafından geliştirilen eğitimlere gönderilirler. □ Diğer -
17. Firmanızın (Türkiye'deki şube) personel değerlendirmede yönetimi hangi merci tarafından geliştirilmektedir?	□ Yalnızca Ana Merkez tarafından geliştirilmektedir. □ Firmamızdan alınan öneriler doğrultusunda yalnızca Ana Merkez tarafından geliştirilmektedir. □ Ana Merkez ve firmamız ile birlikte geliştirilmektedir. □ Yalnızca firmamız tarafından geliştirilmektedir. □ Yalnızca Bölgesel Merkez tarafından geliştirilmektedir. □ Diğer -
18. Firmanızın (Türkiye'deki şube) personel değerlendirme sürecinde değerlendirme sıklığı (yılda bir kez, iki kez, vs.) hakkında hangi merci tarafından karar alınmaktadır?	□ Yalnızca Ana Merkez tarafından karar alınmaktadır. □ Firmamız alınan öneriler doğrultusunda yalnızca Ana Merkes tarafından karar alınmaktadır. □ Ana Merkez ve firmamız ile birlikte karar alınmaktadır. □ Yalnızca firmamız tarafından karar alınmaktadır. □ Yalnızca Bölgesel Merkez tarafından karar alınmaktadır.
19. Firmanızın (Türkiye'deki şube) kariyer planlama sistemine ilişkin hangisi uygundur?	□ Ana Merkezin dünya çapında standart olarak uyguladığı bir sistemdir. □ Firmamızın önerileri doğrultusunda Ana Merkez tarafından geliştirilen sistemdir. □ Ana Merkez ve firmamız tarafından geliştirilen sistemdir. □ Firmamız tarafından geliştirilen sistemdir. □ Bölgesel Merkez tarafından geliştirilen sistemdir. □ Diğer -
20. Firmanızda (Türkiye'deki şube) kilit pozisyonlarda çalışmakta olan personel.....	□ Ana Merkezin kendi uyruğundan yetiştirip görevlendirdiği yöneticilerdir. □ Milliyetleri önemsenmeden Ana Merkez tarafından görevlendirilen yöneticilerdir. □ Firmamızın yetiştirip görevlendirdiği yöneticilerdir. □ Ana Merkez veya Bölgesel Merkez ya da firmamız tarafından görevlendirilen yöneticilerdir. □ Diğer -
21. Firmanızda (Türkiye'deki şube) üst kademe yöneticilerin (direktör, genel müd. Yrd, vs.) performans değerlendirmeleri hangi merci tarafından gerçekleştirilmektedir?	□ Yalnızca Ana Merkez tarafından gerçekleştirilmektedir. □ Firmamızdan alınan öneriler doğrultusunda yalnızca Ana Merkes tarafından gerçekleştirilmektedir. □ Ana Merkez ve firmamız ile birlikte gerçekleştirilmektedir. □ Yalnızca firmamız tarafından gerçekleştirilmektedir. □ Yalnızca Bölgesel Merkez tarafından gerçekleştirilmektedir. □ Diğer -

22. Firmanızda (Türkiye'deki şube) üst kademe yöneticilerin (direktör, genel md. yrd, vs.) kariyer ve yedekleme planları yapılmasına ilişkin karar ve uygulamalar hangi merci tarafından gerçekleştirilmektedir?	□ Standart ve merkezin köken ülkesine uygun olarak, Ana Merkez tarafından gerçekleştirilir. □ Firmamızın önerileri doğrultusunda Ana Merkez tarafından gerçekleştirilir. □ Ana Merkez ve gerekse firmamız tarafından birlikte gerçekleştirilir. □ Firmamız tarafından gerçekleştirilir. □ Bölgesel Merkez tarafından gerçekleştirilir. □ Diğer -
23. 4857 sayılı yeni İş Kanunu ve İş Güvencesi'nin çalışma saatleri, deneme süresi, vacation policy hükümleri hakkında hangisi firmanız için geçerlidir?	□ Firmamız bu hükümlere tam anlamıyla uyum gösterecek şekilde faaliyet gösterir. □ Firmamızın bu hükümlere tam anlamıyla uyum göstermeyebilir. □ Diğer -
24. 4857 sayılı İş Kanunu ve İş Güvencesi hükümlerinden 'iş sözleşmesinim haklı nedene dayalı feshi' ve fesihin çalışanın performans değerlendirmesi ile ilişkisi hakkında hangisi firmanız için geçerlidir?	□ Firmamızın performans değerlendirme süreci 'İş Güvencesi' hükümleri doğrultusunda gerekli değişim ve uyarlamalara tabidir. □ Firmamızın performans değerlendirme süreci 'İş Güvencesi' hükümleri doğrultusunda gerekli değişim ve uyarlamalara tabi olmayabilir. □ Diğer -

BÖLÜM III-V (Lütfen her soruda cevap seçeneklerinden **yalnızca birini** işaretleyiniz, seçeneklerde yer almayan bir cevap varsa, **'diğer'** bölümüne yazınız.

25. Firmanızın (Türkiye'deki şube) işletme faaliyetleri dikkate alındığında, operasyonel düzeydeki kararlar genel olarak hangi merci tarafından alınmaktadır?	□ Ana Merkez tarafından karar alınmaktadır. □ Firmamızın önerileri doğrultusunda Ana Merkez tarafından karar alınmaktadır. □ Firmamız ve Ana Merkez birlikte karar alır. □ Firmamız tarafından karar alınmaktadır. □ Bölgesel Merkez tarafından karar alınmaktadır. □ Diğer -
26. Firmanızın (Türkiye'deki şube) işletme faaliyetleri dikkate alındığında, stratejik düzeydeki kararlar genel olarak hangi merci tarafından alınmaktadır?	□ Ana Merkez tarafından karar alınmaktadır. □ Firmamızın önerileri doğrultusunda Ana Merkez tarafından karar alınmaktadır. □ Firmamız ve Ana Merkez birlikte karar alır. □ Firmamız tarafından karar alınmaktadır. □ Bölgesel Merkez tarafından karar alınmaktadır. □ Diğer -
27. Firmanızda (Türkiye'deki şube) yatırımlara ilişkin kararlar hangi merci tarafından alınmaktadır?	□ Ana Merkez tarafından karar alınmaktadır. □ Firmamızın önerileri doğrultusunda Ana Merkez tarafından karar alınmaktadır. □ Firmamız ve Ana Merkez birlikte karar alır. □ Firmamız tarafından karar alınmaktadır. □ Bölgesel Merkez tarafından karar alınmaktadır. □ Diğer -
28. Firmanızda (Türkiye'deki şube) yeni ürün tanıtım ve lansmanına ilişkin kararlar hangi merci tarafından alınmaktadır?	□ Ana Merkez tarafından karar alınmaktadır. □ Firmamızın önerileri doğrultusunda Ana Merkez tarafından karar alınmaktadır. □ Firmamız ve Ana Merkez birlikte karar alır. □ Firmamız tarafından karar alınmaktadır. □ Bölgesel Merkez tarafından karar alınmaktadır. □ Diğer -
29. Firmanızda (Türkiye'deki şube) araştırma ve geliştirme aktivitelerine ilişkin kararlar hangi merci tarafından alınmaktadır?	□ Ana Merkez tarafından karar alınmaktadır. □ Firmamızın önerileri doğrultusunda Ana Merkez tarafından karar alınmaktadır. □ Firmamız ve Ana Merkez birlikte karar alır. □ Firmamız tarafından karar alınmaktadır. □ Bölgesel Merkez tarafından karar alınmaktadır. □ Diğer -
30. Firmanızda (Türkiye'deki şube) üst düzey yönetici kademelerinin (direktör, genel md. yrd, vs.) işe alınmasına ilişkin kararlar hangi merci tarafından alınmaktadır?	□ Ana Merkez tarafından karar alınmaktadır. □ Firmamızın önerileri doğrultusunda Ana Merkez tarafından karar alınmaktadır. □ Firmamız ve Ana Merkez birlikte karar alır. □ Firmamız tarafından karar alınmaktadır. □ Bölgesel Merkez tarafından karar alınmaktadır. □ Diğer -
31. Firmanın dünya genelindeki tüm bölge ve şubeleri düşünüldüğünde, ürünlerin üretimi hangi lokasyonda gerçekleşmektedir?	□ Ana Merkez'de gerçekleşir. □ Ana Merkez ve Bölgesel Merkezlerde gerçekleşir. □ Ana Merkez, bağlı olan Bölgesel Merkezler ve bölgesel şubelerde (firmamız da dahil) gerçekleşir. □ Bölgesel Merkez ve bölgesel şubelerde (firmamız da dahil) gerçekleşir. □ Bölgesel şubelerde (firmamız da dahil) gerçekleşir. □ Diğer -

32. Firmanın dünya genelindeki tüm bölge ve şubeleri düşünüldüğünde, araştırma ve geliştirme aktiviteleri hangi lokasyonda gerçekleşmektedir?	□ Ana Merkezde gerçekleşir. □ Ana Merkez ve Bölgesel Merkezlerde gerçekleşir. □ Ana Merkez ve bağlı olan Bölgesel Merkezler ve bölgesel şubelerde (firmamız da dahil) gerçekleşir. □ Bölgesel Merkez ve bölgesel şubelerde (firmamız da dahil) gerçekleşir. □ Bölgesel şubelerde (firmamız da dahil) gerçekleşir. □ Diğer -
33. Firmanın dünya genelindeki tüm bölge ve şubeleri düşünüldüğünde, ürün yönetimi genel politikası gereği...	□ Ürün farklılaştırma/çeşitlendirme, dünya çapında ve şirketin uluslararası standartları doğrultusunda *Ana Merkez'in* kararı ile gerçekleşir. □ Ana Merkez'in belirlediği global standartlar ve bölgesel pazarın ihtiyaç, talep ve beklentileri ile uyumlu biçimde *Ana Merkez ve Bölgesel Merkezler'in* kararı ile ürünlerde farklılaştırma gerçekleştirilebilir. □ Bölgesel/yerel pazarın ihtiyaç, talep ve beklentileri ile uyumlu biçimde *Bölgesel Merkezler ve bölgesel şubelerin* (firmamız da dahil) kararı ile, ürünlerde farklılaştırma gerçekleştirilebilir. □ Bölgesel pazar ihtiyaç, talep ve beklentileri doğrultusunda *bölgesel şubelerde* (firmamız da dahil) ürünlerde farklılaştırma gerçekleştirilebilir. □ Diğer -
34. Firmanın dünya genelindeki tüm bölge ve şubeleri düşünüldüğünde, pazarlama faaliyetleri....	□ Dünya çapında ve *Ana Merkez'in* belirlediği standartlar doğrultusunda ve *Ana Merkez* tarafından koordine edilir. □ Dünya çapında ve Ana Merkez'in belirlediği standartlar ve bölgesel pazar ihtiyaç, talep ve beklentileri ile uyumlu biçimde *Ana Merkez ve Bölgesel Merkezler* tarafından pazarlama faaliyetleri koordine edilir. □ Bölgesel/yerel pazar ihtiyaç, talep ve beklentileri ile uyumlu biçimde *Bölgesel Merkez ve bölgesel şubeler* (firmamız da dahil) tarafından pazarlama faaliyetleri koordine edilir. □ Bölgesel pazar ihtiyaç, talep ve beklentileri doğrultusunda *bölgesel şubeler* (firmamız da dahil) tarafından pazarlama faaliyetleri koordine edilir. □ Diğer -

BÖLÜM IV-V (Lütfen her soruda cevap seçeneklerinden **yalnızca birini** işaretleyiniz, seçeneklerde yer almayan bir cevap varsa, **'diğer'** bölümüne yazınız.

35. Firmanız (Türkiye'deki şube) ihtiyaç duyduğu teknolojiyi ağırlıklı olarak hangi kanallardan sağlar?	□ Ana Merkezden sağlar. □ Ana Merkez ve firmamız birlikte çalışarak sağlar. □ Firmamız (Türkiye'deki şube) kendi iç bünyesinden sağlar. □ Bölgesel Merkez ve firmamızla birlikte çalışarak sağlar. □ Diğer -
36. Firmanız (Türkiye'deki şube) ihtiyaç duyduğu bilgi birikimi ve en iyi uygulamaları ağırlık olarak hangi kanallardan sağlar?	□ Ana Merkezden sağlar. □ Ana Merkez ve firmamız birlikte çalışarak sağlar. □ Firmamız kendi iç bünyesinden sağlar. □ Bölgesel Merkez ve firmamızla birlikte çalışarak sağlar. □ Diğer -
37. Firmanız (Türkiye'deki şube) yatırım amacıyla ihtiyaç duyduğu finansmanı (fabrika, vs.) ağırlıklı olarak hangi kanallardan sağlar?	□ Yalnızca Ana Merkezin kaynaklarından sağlar. □ Gerek Ana Merkez ve gerekse firmamız kaynaklarından sağlar. □ Yalnızca Firmamız kendi kaynaklarından sağlar. □ Gerek Firmamız ve Bölgesel Merkez kaynaklarından sağlar. □ Diğer -
38. Firmanız (Türkiye'deki şube) ihtiyaç duyduğu *hammadde ve yarı mamulleri* temin etmek için hangi kanallara başvurur?	□ Yalnızca Ana Merkezin kaynaklarına başvurur. □ Gerek Ana Merkez ve gerekse firmamızın bulunduğu lokal kaynaklara başvurur. □ Yalnızca Firmamızın bulunduğu lokal kaynaklara başvurur. □ Gerek Firmamızın bulunduğu lokal ve Bölgesel Merkez kaynaklarına başvurur. □ Diğer -
39. Firmanız (Türkiye'deki şube) *son ürünlerin* transferinde hangi kanallara başvurur?	□ Yalnızca Ana Merkezin kanallarına başvurur. □ Gerek Ana Merkez ve gerekse firmamızın bulunduğu lokal kanallara başvurur. □ Yalnızca Firmamızın bulunduğu lokal kanallara başvurur. □ Gerek Firmamızın bulunduğu lokal ve Bölgesel Merkez kanallarına başvurur. □ Diğer -

BÖLÜM V-V (Lütfen her soruda cevap seçeneklerinden birini işaretleyiniz.)

40. Genel olarak, firmanızın (Türkiye'deki şube) lokal pazarda *müşteri ve/veya tüketicileriyle* olan ilişkilerini nasıl tanımlarsınız? □ Çok yaygın □ Yaygın □ Bilinmiyor / Yorumsuz □ Yaygın değil □ Hic Yaygın Değil
41. Genel olarak, firmanızın (Türkiye'deki şube) lokal pazarda *rakipleriyle olan* ilişkilerini nasıl tanımlarsınız? □ Çok yaygın □ Yaygın □ Bilinmiyor / Yorumsuz □ Yaygın değil □ Hic Yaygın Değil
42. Genel olarak, firmanızın (Türkiye'deki şube) lokal *pazar piyasasında*ki ilişkilerini nasıl tanımlarsınız? □ Çok yaygın □ Yaygın □ Bilinmiyor / Yorumsuz □ Yaygın değil □ Hic Yaygın Değil
43. Eğer firmanızda (Türkiye'deki şube) *yerel işçi sendikalara bağlı çalışanlarınız var ise,* firmanızın ve sendika(lar)la ilişkilerini nasıl tanımlarsınız? □ Çok yaygın □ Yaygın □ Bilinmiyor / Yorumsuz □ Yaygın değil □ Hic Yaygın Değil
44. Eğer firmanız (Türkiye'deki şube) *yerel distibütörler* ile işbirliği (partnership) içinde çalışmakta ise, firmanızın distribütörlerle ilişkilerini nasıl tanımlarsınız? □ Çok yaygın □ Yaygın □ Bilinmiyor / Yorumsuz □ Yaygın değil □ Hic Yaygın Değil
45. Eğer firmanız (Türkiye'deki şube) *yerel tedarikçiler* ile işbirliği (partnership) içinde çalışmakta ise, firmanızın tedarikçilerle ilişkilerini nasıl tanımlarsınız? □ Çok yaygın □ Yaygın □ Bilinmiyor / Yorumsuz □ Yaygın değil □ Hic Yaygın Değil

DEMOGRAFİK BİLGİLER

Uyruğunuz: □ TC □ Diğer

Eğitim Düzeyiniz (lütfen en son bitirdiğiniz okulu işaretleyiniz).:
□ Yüksekokul □ Universite □ Yüksek Lisans □ Doktora □ Diğer

Kurumunuzda şu anki göreviniz nedir?
.....

Firmanızda ne kadar süredir çalışmaktasınız?
.....

Çok uluslu işletmelerde daha once çalıştı iseniz, bu işletmelerdeki toplam çalışma süreniz nedir?
.....

Appendix C1 The Reliability and Item-Total Statistics - Pilot Study

Table C. 1. Reliability and Item-Total Statistics of Pilot Study for Strategic Human Resource Development Practices

Reliability Statistics

KR-20	N of Items
,813	7

Item-Total Statistics

	Corrected Item-Total Correlation	KR-20 If Item Deleted
Recruitment / Selection Criteria	,527	,794
Staffing Process	,549	,789
Training Programs	,511	,798
Intern/Local Trainings	,569	,791
Management of Management of Performance Appraisal	,622	,777
Appraisal Frequency	,465	,811
Management of career planning	,709	,759

Table C. 2. Reliability and Item-Total Statistics of Pilot Study for MNE Control Orientation

Reliability Statistics

KR-20	N of Items
,778	6

Item-Total Statistics

	Corrected Item-Total Correlation	KR-20 if Item Deleted
Operational Decisions	-,085	,853
Strategic Decisions	,768	,739
Investment Decisions	,741	,742
New Product Decisions	,758	,739
R&D Decisions	,786	,742
HR Budget Decisions	,131	,834

Table C. 3. Reliability and Item-Total Statistics of Pilot Study for MNE International Competitive Strategy

Reliability Statistics

KR-20	N of Items
,803	4

Item-Total Statistics

	Corrected Item-Total Correlation	KR-20 if Item Deleted
Product Manufacturing	,534	,796
Research Activities	,775	,667
Product Differentiation	,589	,776
Marketing Activities	,620	,753

Table C. 4. Reliability and Item-Total Statistics of Pilot Study for MNE International Orientation

Reliability Statistics

KR-20	N of Items
,840	4

Item-Total Statistics

	Corrected Item-Total Correlation	KR-20 if Item Deleted
The party allocating expatriates to critical positions	,638	,815
The party appraising performance of top management	,796	,750
The party planning top management career	,761	,770
the decision authority for hiring top executives	,619	,864

Table C. 5. Reliability and Item-Total Statistics of Pilot Study for Subsidiary Dependence on the Local Context / MNE

Reliability Statistics

KR-20	N of Items
,812	5

Item-Total Statistics

	Corrected Item-Total Correlation	KR-20 if Item Deleted
Subsidiary's Dependence on Technology	,760	,724
Subsidiary's Dependence on Know-How	,767	,722
Subsidiary's Dependence on Capital	,117	,884
Subsidiary's Dependence on Raw Materials	,735	,733
Subsidiary's Dependence on Finished Goods	,690	,757

Table C. 6. Reliability and Item-Total Statistics of Pilot Study for Subsidiary's Relationship with Local Networks

Reliability Statistics

Cronbach alpha	N of Items
,771	6

Item-Total Statistics

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Relationship with Customers/Consumers	,736	,679
Relationship with Competitors	,800	,657
Relationship with Market Conditions	,606	,713
Relationship with Labor Unions	-,276	,886
Relationship with Local Distributors	,629	,706
Relationship with Local Suppliers	,702	,682

Table C.7. Reliability and Item-Total Statistics of Pilot Study for Labor Law Influences

Reliability Statistics

KR-20	N of Items
,789	2

Item-Total Statistics

	Corrected Item-Total Correlation	KR-20 if Item Deleted
Influence of Employment Policies	,683	.(a)
Influence of Justification of Termination Provision	,683	.(a)

a The value is negative due to a negative average covariance among items.

Appendix C2 The Reliability and Item-Total Statistics -Whole Sample

Table C.2.1. Reliability and Item-Total Statistics of Whole Sample for Strategic Human Resource Development Practices

Reliability Statistics

KR-20	N of Items
,751	7

Item-Total Statistics

	Corrected Item-Total Correlation	KR-20 if Item Deleted
Recruitment/selection criteria	,299	,802
Staffing Process	,562	,699
Training programs	,474	,720
International vs. Local trainings	,580	,702
Management of Performance Appraisal	,789	,628
Appraisal Frequency	,249	,779
Management of career planning	,731	,655

Table C.2.2. Reliability and Item-Total Statistics of Whole Sample for MNE Control Orientation

Reliability Statistics

KR-20	N of Items
,775	5

Item-Total Statistics

	Corrected Item-Total Correlation	KR-20 if Item Deleted
Operational decisions	,453	,765
Strategic decisions	,653	,695
Investment decisions	,522	,743
New product decisions	,612	,711
R&D decisions	,526	,746

Table C.2.3. Reliability and Item-Total Statistics of Whole Sample for MNE International Competitive Strategy

Reliability Statistics

KR-20	N of Items
,678	4

Item-Total Statistics

	Corrected Item-Total Correlation	KR-20 if Item Deleted
Manufacturing the products	,284	,712
Making R&D activities	,563	,538
Product differentiation	,573	,529
Marketing activities	,456	,624

Table C.2.4. Reliability and Item-Total Statistics of Whole Sample for MNE International Orientation

Reliability Statistics

KR-20	N of Items
,594	4

Item-Total Statistics

	Corrected Item-Total Correlation	KR-20 if Item Deleted
Staffing expatriates to critical positions	-,052	,740
Evaluating the performance of top management	,684	,251
Planning the management of career planning of top management	,699	,251
Decision to hire top executives	,275	,634

Table C.2.5. Reliability and Item-Total Statistics of Whole Sample for Subsidiary's Dependence on the Local Context/MNE

Reliability Statistics

KR-20	N of Items
,716	4

Item-Total Statistics

	Corrected Item-Total Correlation	KR-20 if Item Deleted
Subsidiary's Dependence on Technology	,504	,656
Subsidiary's Dependence on Know-How	,523	,642
Subsidiary's Dependence on Raw Materials	,487	,664
Subsidiary's Dependence on Finished Goods	,503	,654

Table C.2.6. Reliability and Item-Total Statistics of Whole Sample for Subsidiary's Relationship with Local Networks

Reliability Statistics

Cronbach alpha	N of Items
,806	5

Item-Total Statistics

	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Subsidiary's relationship with customers/competitors	,772	,716
Subsidiary's relationship with competitors	,739	,724
Subsidiary's relationship with market conditions	,152	,922
Subsidiary's relationship with local distributors	,764	,713
Subsidiary's relationship with local suppliers	,750	,729

Table C.2.7. Reliability and Item-Total Statistics of Whole Sample for Labor Law Influences

Reliability Statistics

KR-20	N of Items
,831	2

Item-Total Statistics

	Corrected Item-Total Correlation	KR-20 if Item Deleted
Influence of Employment Policies	,715	.(a)
Influence of Justification of Termination Provision	,715	.(a)

a The value is negative due to a negative average covariance among items.

Appendix D Frequency Distribution Results (Non-Recoded)

Table D.4.1 The Frequencies of Responses for the Recruitment Criteria

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	9	17,3	17,3	17,3
	The headquarters with my org's suggestion	2	3,8	3,8	21,2
	The headquarters and my organization	5	9,6	9,6	30,8
	My organization only	36	69,2	69,2	100,0
	Total	52	100,0	100,0	

Table D.4.2 The Frequencies of Responses for Staffing Process

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	8	15,4	15,4	15,4
	The headquarters with my org's suggestion	2	3,8	3,8	19,2
	The headquarters and my organization	5	9,6	9,6	28,8
	My organization only	35	67,3	67,3	96,2
	The regional headquarters only	2	3,8	3,8	100,0
	Total	52	100,0	100,0	

Table D.4.3 The Frequencies of Responses for Training Programs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	3	5,8	5,8	5,8
	The headquarters with my org's suggestion	1	1,9	1,9	7,7
	The headquarters and my organization	3	5,8	5,8	13,5
	My organization only	44	84,6	84,6	98,1
	The regional headquarters only	1	1,9	1,9	100,0
	Total	52	100,0	100,0	

Table D.4.4 The Frequencies of Responses for International vs. Local Trainings

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Intl. and local trainings set by the headquarters	1	1,9	2,0	2,0
	Intl. and local trainings set by hqs. and/or my org.	4	7,7	7,8	9,8
	Local trainings set by my organization	44	84,6	86,3	96,1
	Trainings set by regional headquarters	2	3,8	3,9	100,0
	Total	51	98,1	100,0	
Missing	No Response	1	1,9		
Total		52	100,0		

Table D.4.5 The Frequencies of Responses for Management of Performance Appraisal

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	12	23,1	23,1	23,1
	The headquarters with my org's suggestion	1	1,9	1,9	25,0
	The headquarters and my organization	8	15,4	15,4	40,4
	My organization only	28	53,8	53,8	94,2
	The regional headquarters only	3	5,8	5,8	100,0
	Total	52	100,0	100,0	

Table D.4.6 The Frequencies of Responses for Management of Career Planning

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	11	21,2	22,0	22,0
	The headquarters with my org's suggestion	1	1,9	2,0	24,0
	The headquarters and my organization	7	13,5	14,0	38,0
	My organization only	29	55,8	58,0	96,0
	The regional headquarters only	2	3,8	4,0	100,0
	Total	50	96,2	100,0	
Missing	Not Applicable	1	1,9		
	No Response	1	1,9		
Total		52	100,0		

Table D.4.7 The Frequencies of Responses for Top Management Career

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	10	19,2	19,2	19,2
	The headquarters with my org's suggestion	1	1,9	1,9	21,2
	The headquarters and my organization	9	17,3	17,3	38,5
	My organization only	30	57,7	57,7	96,2
	The regional headquarters only	2	3,8	3,8	100,0
	Total	52	100,0	100,0	

Table D.4.8 The Frequencies of Responses for Top Management Performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	10	19,2	19,6	19,6
	The headquarters with my org's suggestion	3	5,8	5,9	25,5
	The headquarters and my organization	8	15,4	15,7	41,2
	My organization only	29	55,8	56,9	98,0
	The regional headquarters only	1	1,9	2,0	100,0
	Total	51	98,1	100,0	
Missing	No Response	1	1,9		
Total		52	100,0		

Table D.4.9 The Frequencies of Responses for Hiring Top Executives

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	13	25,0	25,5	25,5
	The headquarters with my org's suggestion	3	5,8	5,9	31,4
	The headquarters and my organization	4	7,7	7,8	39,2
	My organization only	31	59,6	60,8	100,0
	Total	51	98,1	100,0	
Missing	No Response	1	1,9		
Total		52	100,0		

Table D.4.10 The Frequencies of Responses for Product Manufacturing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	0	0,0	0,0	0,0
	The headquarters with my org's suggestion	3	5,8	6,5	15,2
	The headquarters and my organization	11	21,2	23,9	39,1
	My organization only	24	46,2	52,2	91,3
	My organization with the headquarters' suggestions	3	5,8	5,9	100,0
	Total	41	78,5	100,0	
Missing	Not Applicable	11	21,5		
Total		52	100,0		

Table D.4.11 The Frequencies of Responses for R&D Activities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	18	34,6	34,6	34,6
	The headquarters with my organization's input	9	17,3	17,3	51,9
	The headquarters and my organization	15	28,8	28,8	80,8
	My organization only	6	11,5	11,5	92,3
	My organization with the headquarters' input	3	5,8	5,8	98,1
	The regional headquarters only	1	1,9	1,9	100,0
	Total	52	100,0	100,0	

Table D.4.12 The Frequencies of Responses for Product Differentiation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	13	25,0	25,0	25,0
	The headquarters with my organization's input	3	5,8	5,8	30,8
	The headquarters and my organization	14	26,9	26,9	57,7
	My organization only	21	40,4	40,4	98,1
	The regional headquarters only	1	1,9	1,9	100,0
	Total	52	100,0	100,0	

Table D.4.13 The Frequencies of Responses for Marketing Activities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	9	17,3	17,3	17,3
	The headquarters with my organization's input	5	9,6	9,6	26,9
	The headquarters and my organization	19	36,5	36,5	63,5
	My organization only	18	34,6	34,6	98,1
	The regional headquarters only	1	1,9	1,9	100,0
	Total	52	100,0	100,0	

Table D.4.14 The Frequencies of Responses for Subsidiary Dependence Regarding Technology

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Dependence on the HQS	8	15,4	15,4	15,4
	Dependence on the HQS and local context	9	17,3	17,3	32,7
	Dependence on the local context	30	57,7	57,7	90,4
	Dependence on the RHQS	1	1,9	1,9	92,3
	Dependence on any subsidiary worldwide	4	7,7	7,7	100,0
	Total	52	100,0	100,0	

Table D.4.15 The Frequencies of Responses for Subsidiary Dependence Regarding Know-How

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Dependence on the HQS	11	21,2	21,2	21,2
	Dependence on the HQS and local context	10	19,2	19,2	40,4
	Dependence on the local context	29	55,8	55,8	96,2
	Dependence on the RHQS	1	1,9	1,9	98,1
	Dependence on any subsidiary worldwide	1	1,9	1,9	100,0
	Total	52	100,0	100,0	

Table D.4.16 The Frequencies of Responses for Subsidiary Dependence Regarding Raw Materials

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Dependence on the HQS and local context	3	5,8	6,4	6,4
	Dependence on the local context	43	82,7	91,5	97,9
	Dependence on any subsidiary worldwide	1	1,9	2,1	100,0
	Total	47	90,4	100,0	
Missing	Not Applicable	5	9,6		
Total		52	100,0		

Table D.4.17 The Frequencies of Responses for Subsidiary Dependence Regarding Finished Goods

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Dependence on the HQS	3	5,8	6,0	6,0
	Dependence on the HQS and local context	3	5,8	6,0	12,0
	Dependence on the local context	42	80,8	84,0	96,0
	Dependence on the RHQS	1	1,9	2,0	98,0
	Dependence on the RHQS and local context	1	1,9	2,0	100,0
	Total	50	96,2	100,0	
Missing	Not Applicable	2	3,8		
Total		52	100,0		

Table D.4.18 The Frequencies of Responses for Operational Decisions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	1	1,9	1,9	1,9
	The headquarters with my organization's input	1	1,9	1,9	3,8
	The headquarters and my organization	2	3,8	3,8	7,7
	My organization only	46	88,5	88,5	96,2
	My organization with the headquarters' input	1	1,9	1,9	98,1
	The regional headquarters and my organization	1	1,9	1,9	100,0
	Total	52	100,0	100,0	

Table D.4.19 The Frequencies of Responses for Strategic Decisions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	11	21,2	21,2	21,2
	The headquarters with my organization's input	3	5,8	5,8	26,9
	The headquarters and my organization	5	9,6	9,6	36,5
	My organization only	30	57,7	57,7	94,2
	The regional headquarters only	2	3,8	3,8	98,1
	The regional headquarters and my organization	1	1,9	1,9	100,0
	Total	52	100,0	100,0	

Table D.4.20 The Frequencies of Responses for Investment Decisions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	9	17,3	17,3	17,3
	The headquarters with my organization's input	3	5,8	5,8	23,1
	The headquarters and my organization	6	11,5	11,5	34,6
	My organization only	31	59,6	59,6	94,2
	The regional headquarters only	2	3,8	3,8	98,1
	The regional headquarters and my organization	1	1,9	1,9	100,0
	Total	52	100,0	100,0	

Table D.4.21 The Frequencies of Responses for New Product Introduction Decisions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	3	5,8	5,8	5,8
	The headquarters with my organization's input	1	1,9	1,9	7,7
	The headquarters and my organization	4	7,7	7,7	15,4
	My organization only	42	80,8	80,8	96,2
	The regional headquarters only	1	1,9	1,9	98,1
	The regional headquarters and my organization	1	1,9	1,9	100,0
	Total	52	100,0	100,0	

Table D.4.22 The Frequencies of Responses for Decisions of R&D Activities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The headquarters only	5	9,6	9,6	9,6
	The headquarters with my organization's input	2	3,8	3,8	13,5
	The headquarters and my organization	6	11,5	11,5	25,0
	My organization only	36	69,2	69,2	94,2
	The regional headquarters only	2	3,8	3,8	98,1
	The regional headquarters and my organization	1	1,9	1,9	100,0
	Total	52	100,0	100,0	

Appendix E Bivariate Analysis: Chi-Square Based Statistics

Table E.1. Cross-Tabs and Chi-Square Results for National Origin and Local Responsiveness of Recruitment/Selection Criteria

Crosstab

			Integration/ Responsiveness- Recruitment/Selection Criteria (REC2)		
			Locally Responsive	Other	Total
National Origin (REC)	European Origin	Count	28	3	31
		% within Integration/ Responsiveness- Recruitment/Selection Criteria (REC2)	77,8%	18,8%	59,6%
	American Origin	Count	8	13	21
		% within Integration/ Responsiveness- Recruitment/Selection Criteria (REC2)	22,2%	81,3%	40,4%
Total		Count	36	16	52
		% within Integration/ Responsiveness- Recruitment/Selection Criteria (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	16,031(b)	1	,000	,000	,000	
Continuity Correction(a)	13,673	1	,000			
Likelihood Ratio	16,571	1	,000	,000	,000	
Fisher's Exact Test				,000	,000	
Linear-by-Linear Association	15,723(c)	1	,000	,000	,000	,000
N of Valid Cases	52					

a Computed only for a 2x2 table
b 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,46.
c The standardized statistic is 3,965.

Table E. 2.Cross-Tabs and Chi-Square Results for National Origin and Local Responsiveness of Staffing Process

Crosstab

			Integration/ Responsiveness- Staffing Process (REC2)		
			Locally Responsive	Other	Total
National Origin (REC)	European Origin	Count	29	2	31
		% within Integration/ Responsiveness- Staffing Process (REC2)	70,7%	18,2%	59,6%
	American Origin	Count	12	9	21
		% within Integration/ Responsiveness- Staffing Process (REC2)	29,3%	81,8%	40,4%
Total		Count	41	11	52
		% within Integration/ Responsiveness- Staffing Process (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square		9,948[b]	1	,002	,002	,002	
Continuity Correction	a	7,885	1	,005			
Likelihood Ratio		10,149	1	,001	,004	,002	
Fisher's Exact Test					,004	,002	
Linear-by-Linear Association		9,757[c]	1	,002	,002	,002	,002
N of Valid Cases		52					

a. Computed only for a 2x2 table
b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,44.
c. The standardized statistic is 3,124.

Table E. 3.Cross-Tabs and Chi-Square Results for National Origin and Local Responsiveness of Management of Performance Appraisal

Crosstab

			Integration/ Responsiveness- Performance Appraisal Process (REC2)		
			Locally Responsive	Other	Total
National Origin (REC)	European Origin	Count	25	6	31
		% within Integration/ Responsiveness- Performance Appraisal Process (REC2)	89,3%	25,0%	59,6%
	American Origin	Count	3	18	21
		% within Integration/ Responsiveness- Performance Appraisal Process (REC2)	10,7%	75,0%	40,4%
Total		Count	28	24	52
		% within Integration/ Responsiveness- Performance Appraisal Process (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	22,183[b]	1	,000	,000	,000	
Continuity Correction [a]	19,593	1	,000			
Likelihood Ratio	24,092	1	,000	,000	,000	
Fisher's Exact Test				,000	,000	
Linear-by-Linear Association	21,756[c]	1	,000	,000	,000	,000
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 9,69.

c. The standardized statistic is 4,664.

Table E. 4. Cross-Tabs and Chi-Square Results for National Origin and Local Responsiveness of Management of Career Planning

Crosstab

			Integration/ Responsiveness- Career Planning (REC2)		
			Locally Responsive	Other	Total
National Origin (REC)	European Origin	Count	26	5	31
		% within Integration/ Responsiveness- Career Planning (REC2)	89,7%	21,7%	59,6%
	American Origin	Count	3	18	21
		% within Integration/ Responsiveness- Career Planning (REC2)	10,3%	78,3%	40,4%
Total		Count	29	23	52
		% within Integration/ Responsiveness- Career Planning (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	24,575[b]	1	,000	,000	,000	
Continuity Correction [a]	21,835	1	,000			
Likelihood Ratio	26,777	1	,000	,000	,000	
Fisher's Exact Test				,000	,000	
Linear-by-Linear Association	24,102[c]	1	,000	,000	,000	,000
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 9,29.

c. The standardized statistic is 4,909.

Table E. 5.Cross-Tabs and Chi-Square Results for International Orientation of Top Management Performance and Local Responsiveness of Recruitment/Selection Criteria

Crosstab

			International Orientation- Top Mgt. Performance (REC2)		
			Polycentric	Other	Total
Integration/ Responsiveness- Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	26	10	36
		% within International Orientation- Top Mgt. Performance (REC2)	89,7%	43,5%	69,2%
	Other	Count	3	13	16
		% within International Orientation- Top Mgt. Performance (REC2)	10,3%	56,5%	30,8%
Total		Count	29	23	52
		% within International Orientation- Top Mgt. Performance (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	12,840[b]	1	,000	,001	,000	
Continuity Correction [a]	10,763	1	,001			
Likelihood Ratio	13,410	1	,000	,001	,000	
Fisher's Exact Test				,001	,000	
Linear-by-Linear Association	12,593[c]	1	,000	,001	,000	,000
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 7,08.

c. The standardized statistic is 3,549.

Table E. 6.Cross-Tabs and Chi-Square Results for International Orientation of Top Management Career and Local Responsiveness of Recruitment/Selection Criteria

Crosstab

			International Orientation- Top Mgt. Career (REC2)		
			Polycentric	Other	Total
Integration/ Responsiveness- Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	26	10	36
		% within International Orientation- Top Mgt. Career (REC2)	86,7%	45,5%	69,2%
	Other	Count	4	12	16
		% within International Orientation- Top Mgt. Career (REC2)	13,3%	54,5%	30,8%
Total		Count	30	22	52
		% within International Orientation- Top Mgt. Career (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	10,120[b]	1	,001	,002	,002	
Continuity Correction [a]	8,278	1	,004			
Likelihood Ratio	10,316	1	,001	,002	,002	
Fisher's Exact Test				,002	,002	
Linear-by-Linear Association	9,925[c]	1	,002	,002	,002	,002
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,77.

c. The standardized statistic is 3,150.

Table E. 7. Cross-Tabs and Chi-Square Results for International Orientation of Top Management Performance and Local Responsiveness of Staffing Process

Crosstab

			International Orientation- Top Mgt. Performance (REC2)		
			Polycentric	Other	Total
Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	27	14	41
		% within International Orientation- Top Mgt. Performance (REC2)	93,1%	60,9%	78,8%
	Other	Count	2	9	11
		% within International Orientation- Top Mgt. Performance (REC2)	6,9%	39,1%	21,2%
Total		Count	29	23	52
		% within International Orientation- Top Mgt. Performance (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	7,991[b]	1	,005	,007	,006	
Continuity Correction [a]	6,175	1	,013			
Likelihood Ratio	8,318	1	,004	,007	,006	
Fisher's Exact Test				,007	,006	
Linear-by-Linear Association	7,837[c]	1	,005	,007	,006	,005
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,87.

c. The standardized statistic is 2,799.

Table E. 8.Cross-Tabs and Chi-Square Results for International Orientation of Top Management Career and Local Responsiveness of Staffing Process

Crosstab

			International Orientation- Top Mgt. Career (REC2)		
			Polycentric	Other	Total
Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	28	13	41
		% within International Orientation- Top Mgt. Career (REC2)	93,3%	59,1%	78,8%
	Other	Count	2	9	11
		% within International Orientation- Top Mgt. Career (REC2)	6,7%	40,9%	21,2%
Total		Count	30	22	52
		% within International Orientation- Top Mgt. Career (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	8,923[b]	1	,003	,005	,004	
Continuity Correction [a]	6,988	1	,008			
Likelihood Ratio	9,200	1	,002	,005	,004	
Fisher's Exact Test				,005	,004	
Linear-by-Linear Association	8,751[c]	1	,003	,005	,004	,004
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,65.

c. The standardized statistic is 2,958.

Table E. 9.Cross-Tabs and Chi-Square Results for International Orientation of Top Management Performance and Local Responsiveness of Management of Performance Appraisal

Crosstab

			International Orientation- Top Mgt. Performance (REC2)		
			Polycentric	Other	Total
Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	20	8	28
		% within International Orientation- Top Mgt. Performance (REC2)	69,0%	34,8%	53,8%
	Other	Count	9	15	24
		% within International Orientation- Top Mgt. Performance (REC2)	31,0%	65,2%	46,2%
Total		Count	29	23	52
		% within International Orientation- Top Mgt. Performance (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	6,031[b]	1	,014	,024	,014	
Continuity Correction [a]	4,734	1	,030			
Likelihood Ratio	6,135	1	,013	,024	,014	
Fisher's Exact Test				,024	,014	
Linear-by-Linear Association	5,915[c]	1	,015	,024	,014	,012
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 10,62.

c. The standardized statistic is 2,432.

Table E.10.Cross-Tabs and Chi-Square Results for International Orientation of Top Management Career and Local Responsiveness of Management of Performance Appraisal

Crosstab

			International Orientation- Top Mgt. Career (REC2)		
			Polycentric	Other	Total
Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	20	8	28
		% within International Orientation- Top Mgt. Career (REC2)	66,7%	36,4%	53,8%
	Other	Count	10	14	24
		% within International Orientation- Top Mgt. Career (REC2)	33,3%	63,6%	46,2%
Total		Count	30	22	52
		% within International Orientation- Top Mgt. Career (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	4,690[b]	1	,030	,048	,029	
Continuity Correction [a]	3,550	1	,060			
Likelihood Ratio	4,747	1	,029	,048	,029	
Fisher's Exact Test				,048	,029	
Linear-by-Linear Association	4,600[c]	1	,032	,048	,029	,023
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 10,15.

c. The standardized statistic is 2,145.

Table E. 11. Cross-Tabs and Chi-Square Results for International Orientation of Top Management Performance and Local Responsiveness of Management of Career Planning

Crosstab

			International Orientation- Top Mgt. Performance (REC2)		
			Polycentric	Other	Total
Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	21	8	29
		% within International Orientation- Top Mgt. Performance (REC2)	72,4%	34,8%	55,8%
	Other	Count	8	15	23
		% within International Orientation- Top Mgt. Performance (REC2)	27,6%	65,2%	44,2%
Total		Count	29	23	52
		% within International Orientation- Top Mgt. Performance (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	7,364[b]	1	,007	,011	,007	
Continuity Correction [a]	5,917	1	,015			
Likelihood Ratio	7,511	1	,006	,011	,007	
Fisher's Exact Test				,011	,007	
Linear-by-Linear Association	7,222[c]	1	,007	,011	,007	,006
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 10,17.

c. The standardized statistic is 2,687.

Table E. 12.Cross-Tabs and Chi-Square Results for International Orientation of Top Management Career and Local Responsiveness of Management of Career Planning

Crosstab

			International Orientation- Top Mgt. Career (REC2)		
			Polycentric	Other	Total
Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	21	8	29
		% within International Orientation- Top Mgt. Career (REC2)	70,0%	36,4%	55,8%
	Other	Count	9	14	23
		% within International Orientation- Top Mgt. Career (REC2)	30,0%	63,6%	44,2%
Total		Count	30	22	52
		% within International Orientation- Top Mgt. Career (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	5,822[b]	1	,016	,024	,016	
Continuity Correction [a]	4,538	1	,033			
Likelihood Ratio	5,900	1	,015	,024	,016	
Fisher's Exact Test				,024	,016	
Linear-by-Linear Association	5,710[c]	1	,017	,024	,016	,013
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 9,73.

c. The standardized statistic is 2,389.

Table E.13. Cross-Tabs and Chi-Square Results for MNE Control Orientation in Strategic Decisions and Local Responsiveness of Recruitment/Selection Criteria

Crosstab

			MNE Control Orientation- Strategic Decisions (REC2)		
			Decentralized Control Orientation	Other	Total
Integration/ Responsiveness- Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	28	8	36
		% within MNE Control Orientation- Strategic Decisions (REC2)	93,3%	36,4%	69,2%
	Other	Count	2	14	16
		% within MNE Control Orientation- Strategic Decisions (REC2)	6,7%	63,6%	30,8%
Total		Count	30	22	52
		% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	19,338[b]	1	,000	,000	,000	
Continuity Correction [a]	16,756	1	,000			
Likelihood Ratio	20,656	1	,000	,000	,000	
Fisher's Exact Test				,000	,000	
Linear-by-Linear Association	18,966[c]	1	,000	,000	,000	,000
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,77.

c. The standardized statistic is 4,355.

Table E. 14. Cross-Tabs and Chi-Square Results for MNE Control Orientation in Investment Decisions and Local Responsiveness of Recruitment/Selection Criteria

Crosstab

			MNE Control Orientation- Investment Decisions (REC2)		
			Decentralized Control Orientation	Other	Total
Integration/ Responsiveness- Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	29	7	36
		% within MNE Control Orientation- Investment Decisions (REC2)	93,5%	33,3%	69,2%
	Other	Count	2	14	16
		% within MNE Control Orientation- Investment Decisions (REC2)	6,5%	66,7%	30,8%
Total		Count	31	21	52
		% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	21,309[b]	1	,000	,000	,000	
Continuity Correction [a]	18,576	1	,000			
Likelihood Ratio	22,628	1	,000	,000	,000	
Fisher's Exact Test				,000	,000	
Linear-by-Linear Association	20,900[c]	1	,000	,000	,000	,000
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,46.

c. The standardized statistic is 4,572.

Table E. 15.Cross-Tabs and Chi-Square Results for MNE Control Orientation in Strategic Decisions and Local Responsiveness of Staffing Process

Crosstab

			MNE Control Orientation- Strategic Decisions (REC2)		
			Decentralized Control Orientation	Other	Total
Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	29	12	41
		% within MNE Control Orientation- Strategic Decisions (REC2)	96,7%	54,5%	78,8%
	Other	Count	1	10	11
		% within MNE Control Orientation- Strategic Decisions (REC2)	3,3%	45,5%	21,2%
Total		Count	30	22	52
		% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	13,501[b]	1	,000	,000	,000	
Continuity Correction [a]	11,094	1	,001			
Likelihood Ratio	14,578	1	,000	,000	,000	
Fisher's Exact Test				,000	,000	
Linear-by-Linear Association	13,242[c]	1	,000	,000	,000	,000
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,65.

c. The standardized statistic is 3,639.

Table E. 16. Cross-Tabs and Chi-Square Results for MNE Control Orientation in Investment Decisions and Local Responsiveness of Staffing Process

Crosstab

			MNE Control Orientation- Investment Decisions (REC2)		
			Decentralized Control Orientation	Other	Total
Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	30	11	41
		% within MNE Control Orientation- Investment Decisions (REC2)	96,8%	52,4%	78,8%
	Other	Count	1	10	11
		% within MNE Control Orientation- Investment Decisions (REC2)	3,2%	47,6%	21,2%
Total		Count	31	21	52
		% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	14,792[b]	1	,000	,000	,000	
Continuity Correction [a]	12,251	1	,000			
Likelihood Ratio	15,763	1	,000	,000	,000	
Fisher's Exact Test				,000	,000	
Linear-by-Linear Association	14,508[c]	1	,000	,000	,000	,000
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,44.

c. The standardized statistic is 3,809.

Table E. 17.Cross-Tabs and Chi-Square Results for MNE Control Orientation in Strategic Decisions and Local Responsiveness of Management of Performance Appraisal

Crosstab

			MNE Control Orientation- Strategic Decisions (REC2)		
			Decentralized Control Orientation	Other	Total
Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	23	5	28
		% within MNE Control Orientation- Strategic Decisions (REC2)	76,7%	22,7%	53,8%
	Other	Count	7	17	24
		% within MNE Control Orientation- Strategic Decisions (REC2)	23,3%	77,3%	46,2%
Total		Count	30	22	52
		% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	14,859[b]	1	,000	,000	,000	
Continuity Correction [a]	12,768	1	,000			
Likelihood Ratio	15,601	1	,000	,000	,000	
Fisher's Exact Test				,000	,000	
Linear-by-Linear Association	14,573[c]	1	,000	,000	,000	,000
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 10,15.

c. The standardized statistic is 3,817.

Table E. 18. Cross-Tabs and Chi-Square Results for MNE Control Orientation in Investment Decisions and Local Responsiveness of Management of Performance Appraisal

Crosstab

			MNE Control Orientation- Investment Decisions (REC2)		
			Decentralized Control Orientation	Other	Total
Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	23	5	28
		% within MNE Control Orientation- Investment Decisions (REC2)	74,2%	23,8%	53,8%
	Other	Count	8	16	24
		% within MNE Control Orientation- Investment Decisions (REC2)	25,8%	76,2%	46,2%
Total		Count	31	21	52
		% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	12,788[b]	1	,000	,001	,000	
Continuity Correction [a]	10,841	1	,001			
Likelihood Ratio	13,323	1	,000	,001	,000	
Fisher's Exact Test				,001	,000	
Linear-by-Linear Association	12,542[c]	1	,000	,001	,000	,000
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 9,69.

c. The standardized statistic is 3,541.

Table E.19. Cross-Tabs and Chi-Square Results for MNE Control Orientation in New Product Decisions and Local Responsiveness of Management of Performance Appraisal

Crosstab

			MNE Control Orientation- New Product Decisions (REC2)		
			Decentralized Control Orientation	Other	Total
Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	27	1	28
		% within MNE Control Orientation- New Product Decisions (REC2)	64,3%	10,0%	53,8%
	Other	Count	15	9	24
		% within MNE Control Orientation- New Product Decisions (REC2)	35,7%	90,0%	46,2%
Total		Count	42	10	52
		% within MNE Control Orientation- New Product Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	9,578[b]	1	,002	,003	,002	
Continuity Correction [a]	7,518	1	,006			
Likelihood Ratio	10,530	1	,001	,003	,002	
Fisher's Exact Test				,003	,002	
Linear-by-Linear Association	9,393[c]	1	,002	,003	,002	,002
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,62.

c. The standardized statistic is 3,065.

Table E.20. Cross-Tabs and Chi-Square Results for MNE Control Orientation in Strategic Decisions and Local Responsiveness of Management of Career Planning

Crosstab

			MNE Control Orientation- Strategic Decisions (REC2)		
			Decentralized Control Orientation	Other	Total
Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	26	3	29
		% within MNE Control Orientation- Strategic Decisions (REC2)	86,7%	13,6%	55,8%
	Other	Count	4	19	23
		% within MNE Control Orientation- Strategic Decisions (REC2)	13,3%	86,4%	44,2%
Total		Count	30	22	52
		% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	27,443[b]	1	,000	,000	,000	
Continuity Correction [a]	24,562	1	,000			
Likelihood Ratio	30,307	1	,000	,000	,000	
Fisher's Exact Test				,000	,000	
Linear-by-Linear Association	26,915[c]	1	,000	,000	,000	,000
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 9,73.

c. The standardized statistic is 5,188.

Table E. 21. Cross-Tabs and Chi-Square Results for MNE Control Orientation in Investment Decisions and Local Responsiveness of Management of Career Planning

Crosstab

			MNE Control Orientation- Investment Decisions (REC2)		
			Decentralized Control Orientation	Other	Total
Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	26	3	29
		% within MNE Control Orientation- Investment Decisions (REC2)	83,9%	14,3%	55,8%
	Other	Count	5	18	23
		% within MNE Control Orientation- Investment Decisions (REC2)	16,1%	85,7%	44,2%
Total		Count	31	21	52
		% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	24,575[b]	1	,000	,000	,000	
Continuity Correction [a]	21,835	1	,000			
Likelihood Ratio	26,777	1	,000	,000	,000	
Fisher's Exact Test				,000	,000	
Linear-by-Linear Association	24,102[c]	1	,000	,000	,000	,000
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 9,29.

c. The standardized statistic is 4,909.

Table E. 22. Cross-Tabs and Chi-Square Results for MNE Control Orientation in New Product Decisions and Local Responsiveness of Management of Career Planning

Crosstab

			MNE Control Orientation- New Product Decisions (REC2)		
			Decentralized Control Orientation	Other	Total
Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	28	1	29
		% within MNE Control Orientation- New Product Decisions (REC2)	66,7%	10,0%	55,8%
	Other	Count	14	9	23
		% within MNE Control Orientation- New Product Decisions (REC2)	33,3%	90,0%	44,2%
Total		Count	42	10	52
		% within MNE Control Orientation- New Product Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	10,514[b]	1	,001	,002	,002	
Continuity Correction [a]	8,343	1	,004			
Likelihood Ratio	11,425	1	,001	,003	,002	
Fisher's Exact Test				,003	,002	
Linear-by-Linear Association	10,312[c]	1	,001	,002	,002	,001
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,42.

c. The standardized statistic is 3,211.

Table E. 23.Cross-Tabs and Chi-Square Results for MNE International Strategy in Product Manufacturing and Local Responsiveness of Staffing Process

Crosstab

			MNE International Strategy- Product Manufacturing (REC2)		
			Multi-domestic Strategy	Other	Total
Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	14	4	18
		% within MNE International Strategy- Product Manufacturing (REC2)	70,0%	19,0%	43,9%
	Other	Count	6	17	23
		% within MNE International Strategy- Product Manufacturing (REC2)	30,0%	81,0%	56,1%
Total		Count	20	21	41
		% within MNE International Strategy- Product Manufacturing (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	10,798[b]	1	,001	,002	,001	
Continuity Correction [a]	8,829	1	,003			
Likelihood Ratio	11,342	1	,001	,002	,001	
Fisher's Exact Test				,002	,001	
Linear-by-Linear Association	10,535[c]	1	,001	,002	,001	,001
N of Valid Cases	41					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 8,78.

c. The standardized statistic is 3,246.

Table E. 24. Cross-Tabs and Chi-Square Results for MNE International Strategy in Product Differentiation and Local Responsiveness of Recruitment/Selection Criteria

Crosstab

			MNE International Strategy- Product Differentiation (REC2)		
			Multi-domestic Strategy	Other	Total
Integration/ Responsiveness- Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	18	18	36
		% within MNE International Strategy- Product Differentiation (REC2)	85,7%	58,1%	69,2%
	Other	Count	3	13	16
		% within MNE International Strategy- Product Differentiation (REC2)	14,3%	41,9%	30,8%
Total		Count	21	31	52
		% within MNE International Strategy- Product Differentiation (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	4,493[b]	1	,034	,064	,032	
Continuity Correction [a]	3,289	1	,070			
Likelihood Ratio	4,803	1	,028	,039	,032	
Fisher's Exact Test				,064	,032	
Linear-by-Linear Association	4,407[c]	1	,036	,064	,032	,026
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,46.

c. The standardized statistic is 2,099.

Table E. 25.Cross-Tabs and Chi-Square Results for MNE International Strategy in Marketing Activities and Local Responsiveness of Recruitment/Selection Criteria

Crosstab

			MNE International Strategy- Marketing Activities (REC2)		
			Multi-domestic Strategy	Other	Total
Integration/ Responsiveness- Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	16	20	36
		% within MNE International Strategy- Marketing Activities (REC2)	88,9%	58,8%	69,2%
	Other	Count	2	14	16
		% within MNE International Strategy- Marketing Activities (REC2)	11,1%	41,2%	30,8%
Total		Count	18	34	52
		% within MNE International Strategy- Marketing Activities (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	4,994[b]	1	,025	,031	,024	
Continuity Correction [a]	3,683	1	,055			
Likelihood Ratio	5,566	1	,018	,031	,024	
Fisher's Exact Test				,031	,024	
Linear-by-Linear Association	4,898[c]	1	,027	,031	,024	,021
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 5,54.

c. The standardized statistic is 2,213.

Table E. 26. Cross-Tabs and Chi-Square Results for MNE International Strategy in Product Manufacturing and Local Responsiveness of Management of Performance Appraisal

Crosstab

			MNE International Strategy- Product Manufacturing (REC2)		
			Multi-domestic Strategy	Other	Total
Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	15	6	21
		% within MNE International Strategy- Product Manufacturing (REC2)	75,0%	28,6%	51,2%
	Other	Count	5	15	20
		% within MNE International Strategy- Product Manufacturing (REC2)	25,0%	71,4%	48,8%
Total		Count	20	21	41
		% within MNE International Strategy- Product Manufacturing (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	8,838[b]	1	,003	,005	,004	
Continuity Correction [a]	7,077	1	,008			
Likelihood Ratio	9,193	1	,002	,005	,004	
Fisher's Exact Test				,005	,004	
Linear-by-Linear Association	8,622[c]	1	,003	,005	,004	,003
N of Valid Cases	41					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 9,76.

c. The standardized statistic is 2,936.

Table E. 27.Cross-Tabs and Chi-Square Results for MNE International Strategy in Product Differentiation and Local Responsiveness of Management of Performance Appraisal

Crosstab

			MNE International Strategy- Product Differentiation (REC2)		
			Multi-domestic Strategy	Other	Total
Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	16	12	28
		% within MNE International Strategy- Product Differentiation (REC2)	76,2%	38,7%	53,8%
	Other	Count	5	19	24
		% within MNE International Strategy- Product Differentiation (REC2)	23,8%	61,3%	46,2%
Total		Count	21	31	52
		% within MNE International Strategy- Product Differentiation (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	7,077[b]	1	,008	,011	,008	
Continuity Correction [a]	5,649	1	,017			
Likelihood Ratio	7,346	1	,007	,011	,008	
Fisher's Exact Test				,011	,008	
Linear-by-Linear Association	6,941[c]	1	,008	,011	,008	,007
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 9,69.

c. The standardized statistic is 2,635.

Table E.28.Cross-Tabs and Chi-Square Results for MNE International Strategy in Marketing Activities and Local Responsiveness of Management of Performance Appraisal

Crosstab

			MNE International Strategy- Marketing Activities (REC2)		
			Multi-domestic Strategy	Other	Total
Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	15	13	28
		% within MNE International Strategy- Marketing Activities (REC2)	83,3%	38,2%	53,8%
	Other	Count	3	21	24
		% within MNE International Strategy- Marketing Activities (REC2)	16,7%	61,8%	46,2%
Total		Count	18	34	52
		% within MNE International Strategy- Marketing Activities (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	9,632[b]	1	,002	,003	,002	
Continuity Correction [a]	7,902	1	,005			
Likelihood Ratio	10,325	1	,001	,003	,002	
Fisher's Exact Test				,003	,002	
Linear-by-Linear Association	9,446[c]	1	,002	,003	,002	,002
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 8,31.

c. The standardized statistic is 3,074.

Table E. 29. Cross-Tabs and Chi-Square Results for MNE International Strategy in Product Differentiation and Local Responsiveness of Management of Career Planning

Crosstab

			MNE International Strategy- Product Differentiation (REC2)		
			Multi-domestic Strategy	Other	Total
Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	17	12	29
		% within MNE International Strategy- Product Differentiation (REC2)	81,0%	38,7%	55,8%
	Other	Count	4	19	23
		% within MNE International Strategy- Product Differentiation (REC2)	19,0%	61,3%	44,2%
Total		Count	21	31	52
		% within MNE International Strategy- Product Differentiation (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	9,057[b]	1	,003	,004	,003	
Continuity Correction [a]	7,425	1	,006			
Likelihood Ratio	9,562	1	,002	,004	,003	
Fisher's Exact Test				,004	,003	
Linear-by-Linear Association	8,882[c]	1	,003	,004	,003	,002
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 9,29.

c. The standardized statistic is 2,980.

Table E. 30. Cross-Tabs and Chi-Square Results for MNE International Strategy in Marketing Activities and Local Responsiveness of Management of Career Planning

Crosstab

			MNE International Strategy- Marketing Activities (REC2)		
			Multi-domestic Strategy	Other	Total
Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	15	14	29
		% within MNE International Strategy- Marketing Activities (REC2)	83,3%	41,2%	55,8%
	Other	Count	3	20	23
		% within MNE International Strategy- Marketing Activities (REC2)	16,7%	58,8%	44,2%
Total		Count	18	34	52
		% within MNE International Strategy- Marketing Activities (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	8,479[b]	1	,004	,007	,004	
Continuity Correction [a]	6,856	1	,009			
Likelihood Ratio	9,104	1	,003	,004	,004	
Fisher's Exact Test				,007	,004	
Linear-by-Linear Association	8,316[c]	1	,004	,007	,004	,003
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 7,96.

c. The standardized statistic is 2,884.

Table E. 31. Cross-Tabs and Chi-Square Results for Subsidiary's Dependence on the Local Context for Know-How and Local Responsiveness of Training Programs

Crosstab

Count

		Subsidiary Dependence-Know-How (REC2)		
		Dependent on the local context	Other	Total
Integration/ Responsiveness-Training Programs (REC2)	Locally Responsive	25	11	36
	Other	4	12	16
Total		29	23	52

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	8,870[b]	1	,003	,006	,004	
Continuity Correction [a]	7,160	1	,007			
Likelihood Ratio	9,083	1	,003	,006	,004	
Fisher's Exact Test				,006	,004	
Linear-by-Linear Association	8,700[c]	1	,003	,006	,004	,003
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 7,08.

c. The standardized statistic is 2,950.

Table E. 32. Cross-Tabs and Chi-Square Results for Subsidiary's Dependence on the Local Context for Technology and Local Responsiveness of International/Local Training Programs

Crosstab

Count

		Subsidiary Dependence-Technology (REC2)		
		Dependent on the local context	Other	Total
Integration/ Responsiveness-International vs. Local Training (REC2)	Locally Responsive	24	7	31
	Other	6	15	21
Total		30	22	52

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	12,239[b]	1	,000	,001	,001	
Continuity Correction [a]	10,319	1	,001			
Likelihood Ratio	12,606	1	,000	,001	,001	
Fisher's Exact Test				,001	,001	
Linear-by-Linear Association	12,003[c]	1	,001	,001	,001	,001
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 8,88.

c. The standardized statistic is 3,465.

Table E. 33. Cross-Tabs and Chi-Square Results for Subsidiary's Dependence on the Local Context for Know-How and Local Responsiveness of International/Local Training Programs

Crosstab

Count

		Subsidiary Dependence-Know-How (REC2)		
		Dependent on the local context	Other	Total
Integration/ Responsiveness-Training Programs (REC2)	Locally Responsive	25	11	36
	Other	4	12	16
Total		29	23	52

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	8,870[b]	1	,003	,006	,004	
Continuity Correction [a]	7,160	1	,007			
Likelihood Ratio	9,083	1	,003	,006	,004	
Fisher's Exact Test				,006	,004	
Linear-by-Linear Association	8,700[c]	1	,003	,006	,004	,003
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 7,08.

c. The standardized statistic is 2,950.

Table E. 34. Cross-Tabs and Chi-Square Results for Subsidiary's Dependence on the Local Context for Technology and Local Responsiveness of Management of Performance Appraisal

Crosstab

Count

		Subsidiary Dependence-Technology (REC2)		
		Dependent on the local context	Other	Total
Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	22	6	28
	Other	8	16	24
Total		30	22	52

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	10,835[b]	1	,001	,002	,001	
Continuity Correction [a]	9,061	1	,003			
Likelihood Ratio	11,202	1	,001	,002	,001	
Fisher's Exact Test				,002	,001	
Linear-by-Linear Association	10,627[c]	1	,001	,002	,001	,001
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 10,15.

c. The standardized statistic is 3,260.

Table E. 35. Cross-Tabs and Chi-Square Results for Subsidiary's Dependence on the Local Context for Technology and and Local Responsiveness of Management of Career Planning

Crosstab

Count

		Subsidiary Dependence-Technology (REC2)		
		Dependent on the local context	Other	Total
Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	22	7	29
	Other	8	15	23
Total		30	22	52

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	8,868[b]	1	,003	,005	,003	
Continuity Correction [a]	7,265	1	,007			
Likelihood Ratio	9,077	1	,003	,005	,003	
Fisher's Exact Test				,005	,003	
Linear-by-Linear Association	8,698[c]	1	,003	,005	,003	,003
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 9,73.

c. The standardized statistic is 2,949.

Table E. 36. Cross-Tabs and Chi-Square Results for Subsidiary's Dependence on the Local Context for Know-How and Local Responsiveness of Management of Career Planning

Crosstab

Count

		Subsidiary Dependence-Know-How (REC2)		
		Dependent on the local context	Other	Total
Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	22	7	29
	Other	7	16	23
Total		29	23	52

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	10,731[b]	1	,001	,002	,001	
Continuity Correction [a]	8,968	1	,003			
Likelihood Ratio	11,072	1	,001	,002	,001	
Fisher's Exact Test				,002	,001	
Linear-by-Linear Association	10,525[c]	1	,001	,002	,001	,001
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 10,17.

c. The standardized statistic is 3,244.

Table E. 37. Cross-Tabs and Chi-Square Results for Labor Law Influences about Employment Policies and Local Responsiveness of Staffing Process

Crosstab

			Influence of Employment Policies		
			Strong Conformance	Weak Conformance	Total
Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	24	2	26
		% within Influence of Employment Policies	60,0%	16,7%	50,0%
	Other	Count	16	10	26
		% within Influence of Employment Policies	40,0%	83,3%	50,0%
Total		Count	40	12	52
		% within Influence of Employment Policies	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	6,933[b]	1	,008	,019	,009	
Continuity Correction [a]	5,308	1	,021			
Likelihood Ratio	7,433	1	,006	,019	,009	
Fisher's Exact Test				,019	,009	
Linear-by-Linear Association	6,800[c]	1	,009	,019	,009	,008
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,00.

c. The standardized statistic is 2,608.

Table E. 38. Cross-Tabs and Chi-Square Results for Labor Law Influences about Justification of Termination Provision and Local Responsiveness of Management of Performance Appraisal

Crosstab

			Influence of Justification of Termination Provision		
			Strong Conformance	Weak Conformace	Total
Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	27	2	29
		% within Influence of Justification of Termination Provision	65,9%	18,2%	55,8%
	Other	Count	14	9	23
		% within Influence of Justification of Termination Provision	34,1%	81,8%	44,2%
Total		Count	41	11	52
		% within Influence of Justification of Termination Provision	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	7,991[b]	1	,005	,007	,006	
Continuity Correction [a]	6,175	1	,013			
Likelihood Ratio	8,318	1	,004	,007	,006	
Fisher's Exact Test				,007	,006	
Linear-by-Linear Association	7,837[c]	1	,005	,007	,006	,005
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,87.

c. The standardized statistic is 2,799.

Table E.39. Cross-Tabs and Chi-Square Results for Subsidiary's Relationship with Local Customers/Consumers and Local Responsiveness of Staffing Process

Crosstab

			Relationship with Customers/ Consumers (REC2)		
			Extensive	Other	Total
Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	23	12	35
		% within Relationship with Customers/Consumers (REC2)	82,1%	50,0%	67,3%
	Other	Count	5	12	17
		% within Relationship with Customers/Consumers (REC2)	17,9%	50,0%	32,7%
Total		Count	28	24	52
		% within Relationship with Customers/Consumers (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	6,068[b]	1	,014	,019	,015	
Continuity Correction [a]	4,695	1	,030			
Likelihood Ratio	6,178	1	,013	,019	,015	
Fisher's Exact Test				,019	,015	
Linear-by-Linear Association	5,951[c]	1	,015	,019	,015	,012
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 7,85.

c. The standardized statistic is 2,439.

Table E. 40. Cross-Tabs and Chi-Square Results for Subsidiary's Relationship with Local Competitors and Local Responsiveness of Staffing Process

Crosstab

			Relationship with Competitors (REC2)		
			Extensive	Other	Total
Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	23	12	35
		% within Relationship with Competitors (REC2)	85,2%	50,0%	68,6%
	Other	Count	4	12	16
		% within Relationship with Competitors (REC2)	14,8%	50,0%	31,4%
Total		Count	27	24	51
		% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	7,306[b]	1	,007	,014	,008	
Continuity Correction [a]	5,763	1	,016			
Likelihood Ratio	7,526	1	,006	,014	,008	
Fisher's Exact Test				,014	,008	
Linear-by-Linear Association	7,163[c]	1	,007	,014	,008	,007
N of Valid Cases	51					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 7,53.

c. The standardized statistic is 2,676.

Table E.41. Cross-Tabs and Chi-Square Results for Subsidiary's Relationship with Local Suppliers and Local Responsiveness of Staffing Process

Crosstab

			Relationship with Local Suppliers (REC2)		
			Extensive	Other	Total
Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	27	8	35
		% within Relationship with Local Suppliers (REC2)	81,8%	42,1%	67,3%
	Other	Count	6	11	17
		% within Relationship with Local Suppliers (REC2)	18,2%	57,9%	32,7%
Total		Count	33	19	52
		% within Relationship with Local Suppliers (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	8,642[b]	1	,003	,005	,004	
Continuity Correction [a]	6,932	1	,008			
Likelihood Ratio	8,569	1	,003	,005	,004	
Fisher's Exact Test				,005	,004	
Linear-by-Linear Association	8,476[c]	1	,004	,005	,004	,004
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,21.

c. The standardized statistic is 2,911.

Table E. 42. Cross-Tabs and Chi-Square Results for Subsidiary's Relationship with Local Distributors and Local Responsiveness of Staffing Process

Crosstab

			Relationship with Local Distributors (REC2)		
			Extensive	Other	Total
Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	26	9	35
		% within Relationship with Local Distributors (REC2)	81,3%	45,0%	67,3%
	Other	Count	6	11	17
		% within Relationship with Local Distributors (REC2)	18,8%	55,0%	32,7%
Total		Count	32	20	52
		% within Relationship with Local Distributors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	7,350[b]	1	,007	,014	,008	
Continuity Correction [a]	5,795	1	,016			
Likelihood Ratio	7,315	1	,007	,014	,008	
Fisher's Exact Test				,014	,008	
Linear-by-Linear Association	7,209[c]	1	,007	,014	,008	,007
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,54.

c. The standardized statistic is 2,685.

Table E. 43. Cross-Tabs and Chi-Square Results for Subsidiary's Relationship with Local Customers/Consumers and Local Responsiveness of Management of Performance Appraisal

Crosstab

			Relationship with Customers/ Consumers (REC2)		
			Extensive	Other	Total
Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	20	8	28
		% within Relationship with Customers/Consumers (REC2)	71,4%	33,3%	53,8%
	Other	Count	8	16	24
		% within Relationship with Customers/Consumers (REC2)	28,6%	66,7%	46,2%
Total		Count	28	24	52
		% within Relationship with Customers/Consumers (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	7,546[b]	1	,006	,011	,006	
Continuity Correction [a]	6,091	1	,014			
Likelihood Ratio	7,724	1	,005	,011	,006	
Fisher's Exact Test				,011	,006	
Linear-by-Linear Association	7,401[c]	1	,007	,011	,006	,005
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 11,08.

c. The standardized statistic is 2,721.

Table E. 44. Cross-Tabs and Chi-Square Results for Subsidiary's Relationship with Local Competitors and Local Responsiveness of Management of Performance Appraisal

Crosstab

			Relationship with Competitors (REC2)		
			Extensive	Other	Total
Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	22	6	28
		% within Relationship with Competitors (REC2)	81,5%	25,0%	54,9%
	Other	Count	5	18	23
		% within Relationship with Competitors (REC2)	18,5%	75,0%	45,1%
Total		Count	27	24	51
		% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	16,371[b]	1	,000	,000	,000	
Continuity Correction [a]	14,169	1	,000			
Likelihood Ratio	17,343	1	,000	,000	,000	
Fisher's Exact Test				,000	,000	
Linear-by-Linear Association	16,050[c]	1	,000	,000	,000	,000
N of Valid Cases	51					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 10,82.

c. The standardized statistic is 4,006.

Table E. 45. Cross-Tabs and Chi-Square Results for Subsidiary's Relationship with Local Suppliers and Local Responsiveness of Management of Performance Appraisal

Crosstab

			Relationship with Local Suppliers (REC2)		
			Extensive	Other	Total
Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	23	5	28
		% within Relationship with Local Suppliers (REC2)	69,7%	26,3%	53,8%
	Other	Count	10	14	24
		% within Relationship with Local Suppliers (REC2)	30,3%	73,7%	46,2%
Total		Count	33	19	52
		% within Relationship with Local Suppliers (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	9,131[b]	1	,003	,004	,003	
Continuity Correction [a]	7,469	1	,006			
Likelihood Ratio	9,394	1	,002	,004	,003	
Fisher's Exact Test				,004	,003	
Linear-by-Linear Association	8,955[c]	1	,003	,004	,003	,003
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 8,77.

c. The standardized statistic is 2,993.

Table E. 46. Cross-Tabs and Chi-Square Results for Subsidiary's Relationship with Local Distributors and Local Responsiveness of Management of Performance Appraisal

Crosstab

			Relationship with Local Distributors (REC2)		
			Extensive	Other	Total
Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	22	6	28
		% within Relationship with Local Distributors (REC2)	68,8%	30,0%	53,8%
	Other	Count	10	14	24
		% within Relationship with Local Distributors (REC2)	31,3%	70,0%	46,2%
Total		Count	32	20	52
		% within Relationship with Local Distributors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	7,436[b]	1	,006	,010	,007	
Continuity Correction [a]	5,959	1	,015			
Likelihood Ratio	7,595	1	,006	,010	,007	
Fisher's Exact Test				,010	,007	
Linear-by-Linear Association	7,293[c]	1	,007	,010	,007	,006
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 9,23.

c. The standardized statistic is 2,701.

Table E. 47. Cross-Tabs and Chi-Square Results for Subsidiary's Relationship with Local Customers/Consumers and Local Responsiveness of Management of Career Planning

Crosstab

			Relationship with Customers/ Consumers (REC2)		
			Extensive	Other	Total
Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	21	8	29
		% within Relationship with Customers/Consumers (REC2)	75,0%	33,3%	55,8%
	Other	Count	7	16	23
		% within Relationship with Customers/Consumers (REC2)	25,0%	66,7%	44,2%
Total		Count	28	24	52
		% within Relationship with Customers/Consumers (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	9,095[b]	1	,003	,005	,003	
Continuity Correction [a]	7,485	1	,006			
Likelihood Ratio	9,350	1	,002	,005	,003	
Fisher's Exact Test				,005	,003	
Linear-by-Linear Association	8,921[c]	1	,003	,005	,003	,002
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 10,62.

c. The standardized statistic is 2,987.

Table E. 48. Cross-Tabs and Chi-Square Results for Subsidiary's Relationship with Local Competitors and Local Responsiveness of Management of Career Planning

Crosstab

			Relationship with Competitors (REC2)		
			Extensive	Other	Total
Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	21	8	29
		% within Relationship with Competitors (REC2)	77,8%	33,3%	56,9%
	Other	Count	6	16	22
		% within Relationship with Competitors (REC2)	22,2%	66,7%	43,1%
Total		Count	27	24	51
		% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	10,232[b]	1	,001	,002	,002	
Continuity Correction [a]	8,500	1	,004			
Likelihood Ratio	10,580	1	,001	,002	,002	
Fisher's Exact Test				,002	,002	
Linear-by-Linear Association	10,031[c]	1	,002	,002	,002	,001
N of Valid Cases	51					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 10,35.

c. The standardized statistic is 3,167.

Table E. 49. Cross-Tabs and Chi-Square Results for Subsidiary's Relationship with Local Suppliers and Local Responsiveness of Management of Career Planning

Crosstab

			Relationship with Local Suppliers (REC2)		
			Extensive	Other	Total
Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	23	6	29
		% within Relationship with Local Suppliers (REC2)	69,7%	31,6%	55,8%
	Other	Count	10	13	23
		% within Relationship with Local Suppliers (REC2)	30,3%	68,4%	44,2%
Total		Count	33	19	52
		% within Relationship with Local Suppliers (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	7,102[b]	1	,008	,010	,009	
Continuity Correction [a]	5,641	1	,018			
Likelihood Ratio	7,210	1	,007	,010	,009	
Fisher's Exact Test				,010	,009	
Linear-by-Linear Association	6,966[c]	1	,008	,010	,009	,007
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 8,40.

c. The standardized statistic is 2,639.

Table E. 50. Cross-Tabs and Chi-Square Results for Subsidiary's Relationship with Local Distributors and Local Responsiveness of Management of Career Planning

Crosstab

			Relationship with Local Distributors (REC2)		
			Extensive	Other	Total
Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	23	6	29
		% within Relationship with Local Distributors (REC2)	71,9%	30,0%	55,8%
	Other	Count	9	14	23
		% within Relationship with Local Distributors (REC2)	28,1%	70,0%	44,2%
Total		Count	32	20	52
		% within Relationship with Local Distributors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	8,749[b]	1	,003	,004	,004	
Continuity Correction [a]	7,134	1	,008			
Likelihood Ratio	8,935	1	,003	,004	,004	
Fisher's Exact Test				,004	,004	
Linear-by-Linear Association	8,581[c]	1	,003	,004	,004	,003
N of Valid Cases	52					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 8,85.

c. The standardized statistic is 2,929.

Appendix F: Multivariate Analysis: Cross-Tabs And Chi-Square Statistics With Three Variables

Table F. 1. Local Responsiveness of Staffing Process * MNE Control Orientation in Strategic Decisions * Subsidiary's Age

Crosstab

Age of the Subsidiary				MNE Control Orientation- Strategic Decisions (REC2)		Total
				Decentralized Control Orientation	Other	
Young Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	12	7	19
			% within MNE Control Orientation- Strategic Decisions (REC2)	92,3%	77,8%	86,4%
		Other	Count	1	2	3
			% within MNE Control Orientation- Strategic Decisions (REC2)	7,7%	22,2%	13,6%
	Total		Count	13	9	22
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	17	5	22
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	38,5%	73,3%
		Other	Count	0	8	8
			% within MNE Control Orientation- Strategic Decisions (REC2)	,0%	61,5%	26,7%
	Total		Count	17	13	30
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	,953[b]	1	,329	,544	,358	
	Continuity Correction [a]	,119	1	,730			
	Likelihood Ratio	,940	1	,332	,544	,358	
	Fisher's Exact Test				,544	,358	
	Linear-by-Linear Association	,910[c]	1	,340	,544	,358	,304
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	14,266[d]	1	,000	,000	,000	
	Continuity Correction [a]	11,292	1	,001			
	Likelihood Ratio	17,472	1	,000	,000	,000	
	Fisher's Exact Test				,000	,000	
	Linear-by-Linear Association	13,790[e]	1	,000	,000	,000	,000
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,23.

c. The standardized statistic is ,954.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 3,47.

e. The standardized statistic is 3,714.

Table F. 2. Local Responsiveness of Management of Performance Appraisal * MNE Control Orientation in Strategic Decisions * Subsidiary's Age

Crosstab

Age of the Subsidiary				MNE Control Orientation- Strategic Decisions (REC2)		Total
				Decentralized Control Orientation	Other	
Young Subsidiaries	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	8	3	11
			% within MNE Control Orientation- Strategic Decisions (REC2)	61,5%	33,3%	50,0%
		Other	Count	5	6	11
			% within MNE Control Orientation- Strategic Decisions (REC2)	38,5%	66,7%	50,0%
	Total		Count	13	9	22
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	15	2	17
			% within MNE Control Orientation- Strategic Decisions (REC2)	88,2%	15,4%	56,7%
		Other	Count	2	11	13
			% within MNE Control Orientation- Strategic Decisions (REC2)	11,8%	84,6%	43,3%
	Total		Count	17	13	30
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	1,692[b]	1	,193	,387	,193	
	Continuity Correction[a]	,752	1	,386			
	Likelihood Ratio	1,718	1	,190	,387	,193	
	Fisher's Exact Test				,387	,193	
	Linear-by-Linear Association	1,615[c]	1	,204	,387	,193	,153
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	15,922[d]	1	,000	,000	,000	
	Continuity Correction[a]	13,093	1	,000			
	Likelihood Ratio	17,576	1	,000	,000	,000	
	Fisher's Exact Test				,000	,000	
	Linear-by-Linear Association	15,391[e]	1	,000	,000	,000	,000
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 4,50.

c. The standardized statistic is 1,271.

d. 0 cells (,0%) have expected count less than 5. The minimum expected count is 5,63.

e. The standardized statistic is 3,923.

Table F. 3. Local Responsiveness of Staffing Process * MNE Control Orientation in Investment Decisions * Subsidiary's Age

Crosstab

Age of the Subsidiary				MNE Control Orientation- Investment Decisions (REC2)		Total
				Decentralized Control Orientation	Other	
Young Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	13	6	19
			% within MNE Control Orientation- Investment Decisions (REC2)	92,9%	75,0%	86,4%
		Other	Count	1	2	3
			% within MNE Control Orientation- Investment Decisions (REC2)	7,1%	25,0%	13,6%
	Total		Count	14	8	22
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	17	5	22
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	38,5%	73,3%
		Other	Count	0	8	8
			% within MNE Control Orientation- Investment Decisions (REC2)	,0%	61,5%	26,7%
	Total		Count	17	13	30
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	1,378[b]	1	,240	,527	,291	
	Continuity Correction [a]	,279	1	,597			
	Likelihood Ratio	1,323	1	,250	,527	,291	
	Fisher's Exact Test				,527	,291	
	Linear-by-Linear Association	1,316[c]	1	,251	,527	,291	,255
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	14,266[d]	1	,000	,000	,000	
	Continuity Correction [a]	11,292	1	,001			
	Likelihood Ratio	17,472	1	,000	,000	,000	
	Fisher's Exact Test				,000	,000	
	Linear-by-Linear Association	13,790[e]	1	,000	,000	,000	,000
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,09.

c. The standardized statistic is 1,147.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 3,47.

e. The standardized statistic is 3,714.

Table F. 4. Local Responsiveness of Management of Performance Appraisal * MNE Control Orientation in Investment Decisions * Subsidiary's Age

Crosstab

Age of the Subsidiary				MNE Control Orientation- Investment Decisions (REC2)		Total
				Decentralized Control Orientation	Other	
Young Subsidiaries	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	9	2	11
			% within MNE Control Orientation- Investment Decisions (REC2)	64,3%	25,0%	50,0%
		Other	Count	5	6	11
			% within MNE Control Orientation- Investment Decisions (REC2)	35,7%	75,0%	50,0%
	Total		Count	14	8	22
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	14	3	17
			% within MNE Control Orientation- Investment Decisions (REC2)	82,4%	23,1%	56,7%
		Other	Count	3	10	13
			% within MNE Control Orientation- Investment Decisions (REC2)	17,6%	76,9%	43,3%
	Total		Count	17	13	30
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	3,143[b]	1	,076	,183	,091	
	Continuity Correction [a]	1,768	1	,184			
	Likelihood Ratio	3,252	1	,071	,183	,091	
	Fisher's Exact Test				,183	,091	
	Linear-by-Linear Association	3,000[c]	1	,083	,183	,091	,079
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	10,541[d]	1	,001	,002	,002	
	Continuity Correction [a]	8,265	1	,004			
	Likelihood Ratio	11,165	1	,001	,002	,002	
	Fisher's Exact Test				,002	,002	
	Linear-by-Linear Association	10,190[e]	1	,001	,002	,002	,002
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 4,00.

c. The standardized statistic is 1,732.

d. 0 cells (,0%) have expected count less than 5. The minimum expected count is 5,63.

e. The standardized statistic is 3,192.

Table F. 5.Local Responsiveness of Staffing Process * MNE International Orientation in Top Management Performance * Subsidiary's Age

Crosstab

Age of the Subsidiary				International Orientation- Top Mgt. Performance (REC2)		Total
				Polycentric	Other	
Young Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	12	7	19
			% within International Orientation- Top Mgt. Performance (REC2)	85,7%	87,5%	86,4%
		Other	Count	2	1	3
			% within International Orientation- Top Mgt. Performance (REC2)	14,3%	12,5%	13,6%
	Total		Count	14	8	22
			% within International Orientation- Top Mgt. Performance (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	15	7	22
			% within International Orientation- Top Mgt. Performance (REC2)	100,0%	46,7%	73,3%
		Other	Count	0	8	8
			% within International Orientation- Top Mgt. Performance (REC2)	,0%	53,3%	26,7%
	Total		Count	15	15	30
			% within International Orientation- Top Mgt. Performance (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	,014[b]	1	,907	1,000	,709	
	Continuity Correction [a]	,000	1	1,000			
	Likelihood Ratio	,014	1	,906	1,000	,709	
	Fisher's Exact Test				1,000	,709	
	Linear-by-Linear Association	,013[c]	1	,909	1,000	,709	,473
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	10,909[d]	1	,001	,002	,001	
	Continuity Correction [a]	8,352	1	,004			
	Likelihood Ratio	14,067	1	,000	,002	,001	
	Fisher's Exact Test				,002	,001	
	Linear-by-Linear Association	10,545[e]	1	,001	,002	,001	,001
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,09.

c. The standardized statistic is -,115.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 4,00.

e. The standardized statistic is 3,247.

Table F. 6. Local Responsiveness of Staffing Process * MNE International Orientation in Top Management Performance * Subsidiary's Age

Crosstab

Age of the Subsidiary				International Orientation- Top Mgt. Performance (REC2)		Total
				Polycentric	Other	
Young Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	12	7	19
			% within International Orientation- Top Mgt. Performance (REC2)	85,7%	87,5%	86,4%
		Other	Count	2	1	3
			% within International Orientation- Top Mgt. Performance (REC2)	14,3%	12,5%	13,6%
	Total		Count	14	8	22
			% within International Orientation- Top Mgt. Performance (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	15	7	22
			% within International Orientation- Top Mgt. Performance (REC2)	100,0%	46,7%	73,3%
		Other	Count	0	8	8
			% within International Orientation- Top Mgt. Performance (REC2)	,0%	53,3%	26,7%
	Total		Count	15	15	30
			% within International Orientation- Top Mgt. Performance (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	,014[b]	1	,907	1,000	,709	
	Continuity Correction [a]	,000	1	1,000			
	Likelihood Ratio	,014	1	,906	1,000	,709	
	Fisher's Exact Test				1,000	,709	
	Linear-by-Linear Association	,013[c]	1	,909	1,000	,709	,473
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	10,909[d]	1	,001	,002	,001	
	Continuity Correction [a]	8,352	1	,004			
	Likelihood Ratio	14,067	1	,000	,002	,001	
	Fisher's Exact Test				,002	,001	
	Linear-by-Linear Association	10,545[e]	1	,001	,002	,001	,001
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,09.

c. The standardized statistic is -,115.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 4,00.

e. The standardized statistic is 3,247.

Table F. 7. Local Responsiveness of Management of Performance Appraisal * MNE International Orientation in Top Management Performance * Subsidiary's Age

Crosstab

Age of the Subsidiary				International Orientation- Top Mgt. Performance (REC2)		Total
				Polycentric	Other	
Young Subsidiaries	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	8	3	11
			% within International Orientation- Top Mgt. Performance (REC2)	57,1%	37,5%	50,0%
		Other	Count	6	5	11
			% within International Orientation- Top Mgt. Performance (REC2)	42,9%	62,5%	50,0%
	Total		Count	14	8	22
			% within International Orientation- Top Mgt. Performance (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	12	5	17
			% within International Orientation- Top Mgt. Performance (REC2)	80,0%	33,3%	56,7%
		Other	Count	3	10	13
			% within International Orientation- Top Mgt. Performance (REC2)	20,0%	66,7%	43,3%
	Total		Count	15	15	30
			% within International Orientation- Top Mgt. Performance (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	,786[b]	1	,375	,659	,330	
	Continuity Correction [a]	,196	1	,658			
	Likelihood Ratio	,792	1	,373	,659	,330	
	Fisher's Exact Test				,659	,330	
	Linear-by-Linear Association	,750[c]	1	,386	,659	,330	,238
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	6,652[d]	1	,010	,025	,013	
	Continuity Correction [a]	4,887	1	,027			
	Likelihood Ratio	6,946	1	,008	,025	,013	
	Fisher's Exact Test				,025	,013	
	Linear-by-Linear Association	6,430[e]	1	,011	,025	,013	,011
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 4,00.

c. The standardized statistic is ,866.

d. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,50.

e. The standardized statistic is 2,536.

Table F. 8. Local Responsiveness of Management of Performance Appraisal * MNE International Orientation in Top Management Career * Subsidiary's Age

Crosstab

Age of the Subsidiary				International Orientation- Top Mgt. Career (REC2)		Total
				Polycentric	Other	
Young Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	8	3	11
			% within International Orientation- Top Mgt. Career (REC2)	53,3%	42,9%	50,0%
		Other	Count	7	4	11
			% within International Orientation- Top Mgt. Career (REC2)	46,7%	57,1%	50,0%
	Total		Count	15	7	22
			% within International Orientation- Top Mgt. Career (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	12	5	17
			% within International Orientation- Top Mgt. Career (REC2)	80,0%	33,3%	56,7%
		Other	Count	3	10	13
			% within International Orientation- Top Mgt. Career (REC2)	20,0%	66,7%	43,3%
	Total		Count	15	15	30
			% within International Orientation- Top Mgt. Career (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	,210[b]	1	,647	1,000	,500	
	Continuity Correction [a]	,000	1	1,000			
	Likelihood Ratio	,210	1	,647	1,000	,500	
	Fisher's Exact Test				1,000	,500	
	Linear-by-Linear Association	,200[c]	1	,655	1,000	,500	,319
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	6,652[d]	1	,010	,025	,013	
	Continuity Correction [a]	4,887	1	,027			
	Likelihood Ratio	6,946	1	,008	,025	,013	
	Fisher's Exact Test				,025	,013	
	Linear-by-Linear Association	6,430[e]	1	,011	,025	,013	,011
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 3,50.

c. The standardized statistic is ,447.

d. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,50.

e. The standardized statistic is 2,536.

Table F. 9. Local Responsiveness of Management of Performance Appraisal * MNE International Strategy in Product Manufacturing * Subsidiary's Age

Crosstab

Age of the Subsidiary				MNE International Strategy- Product Manufacturing (REC2)		Total
				Multi-domestic Strategy	Other	
Young Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	7	4	11
			% within MNE International Strategy- Product Manufacturing (REC2)	63,6%	36,4%	50,0%
		Other	Count	4	7	11
			% within MNE International Strategy- Product Manufacturing (REC2)	36,4%	63,6%	50,0%
	Total		Count	11	11	22
			% within MNE International Strategy- Product Manufacturing (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	11	6	17
			% within MNE International Strategy- Product Manufacturing (REC2)	84,6%	35,3%	56,7%
		Other	Count	2	11	13
			% within MNE International Strategy- Product Manufacturing (REC2)	15,4%	64,7%	43,3%
	Total		Count	13	17	30
			% within MNE International Strategy- Product Manufacturing (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	1,636[b]	1	,201	,395	,197	
	Continuity Correction [a]	,727	1	,394			
	Likelihood Ratio	1,657	1	,198	,395	,197	
	Fisher's Exact Test				,395	,197	
	Linear-by-Linear Association	1,562[c]	1	,211	,395	,197	,154
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	7,298[d]	1	,007	,010	,009	
	Continuity Correction [a]	5,427	1	,020			
	Likelihood Ratio	7,817	1	,005	,010	,009	
	Fisher's Exact Test				,010	,009	
	Linear-by-Linear Association	7,055[e]	1	,008	,010	,009	,008
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 5,50.

c. The standardized statistic is 1,250.

d. 0 cells (,0%) have expected count less than 5. The minimum expected count is 5,63.

e. The standardized statistic is 2,656.

Table F. 10. Local Responsiveness of Management of Career Planning * MNE International Strategy in Product Manufacturing * Subsidiary's Age

Crosstab

Age of the Subsidiary				MNE International Strategy- Product Manufacturing (REC2) Multi-domestic Strategy	Other	Total
Young Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	9	4	13
			% within MNE International Strategy- Product Manufacturing (REC2)	81,8%	36,4%	59,1%
		Other	Count	2	7	9
			% within MNE International Strategy- Product Manufacturing (REC2)	18,2%	63,6%	40,9%
	Total		Count	11	11	22
			% within MNE International Strategy- Product Manufacturing (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	10	6	16
			% within MNE International Strategy- Product Manufacturing (REC2)	76,9%	35,3%	53,3%
		Other	Count	3	11	14
			% within MNE International Strategy- Product Manufacturing (REC2)	23,1%	64,7%	46,7%
	Total		Count	13	17	30
			% within MNE International Strategy- Product Manufacturing (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	4,701[b]	1	,030	,080	,040	
	Continuity Correction [a]	3,009	1	,083			
	Likelihood Ratio	4,915	1	,027	,080	,040	
	Fisher's Exact Test				,080	,040	
	Linear-by-Linear Association	4,487[c]	1	,034	,080	,040	,036
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	5,129[d]	1	,024	,033	,028	
	Continuity Correction [a]	3,593	1	,058			
	Likelihood Ratio	5,336	1	,021	,033	,028	
	Fisher's Exact Test				,033	,028	
	Linear-by-Linear Association	4,958[e]	1	,026	,033	,028	,024
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 4,50.

c. The standardized statistic is 2,118.

d. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,07.

e. The standardized statistic is 2,227.

Table F. 11. Local Responsiveness of Management of Performance Appraisal * MNE International Strategy in Product Differentiation * Subsidiary's Age

Crosstab

Age of the Subsidiary				MNE International Strategy- Product Differentiation (REC2)		Total
				Multi-domestic Strategy	Other	
Young Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	6	5	11
			% within MNE International Strategy-Product Differentiation (REC2)	66,7%	38,5%	50,0%
		Other	Count	3	8	11
			% within MNE International Strategy-Product Differentiation (REC2)	33,3%	61,5%	50,0%
	Total		Count	9	13	22
			% within MNE International Strategy-Product Differentiation (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	10	7	17
			% within MNE International Strategy-Product Differentiation (REC2)	83,3%	38,9%	56,7%
		Other	Count	2	11	13
			% within MNE International Strategy-Product Differentiation (REC2)	16,7%	61,1%	43,3%
	Total		Count	12	18	30
			% within MNE International Strategy-Product Differentiation (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	1,692[b]	1	,193	,387	,193	
	Continuity Correction[a]	,752	1	,386			
	Likelihood Ratio	1,718	1	,190	,387	,193	
	Fisher's Exact Test				,387	,193	
	Linear-by-Linear Association	1,615[c]	1	,204	,387	,193	,153
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	5,792[d]	1	,016	,026	,019	
	Continuity Correction[a]	4,123	1	,042			
	Likelihood Ratio	6,183	1	,013	,026	,019	
	Fisher's Exact Test				,026	,019	
	Linear-by-Linear Association	5,599[e]	1	,018	,026	,019	,018
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 4,50.

c. The standardized statistic is 1,271.

d. 0 cells (,0%) have expected count less than 5. The minimum expected count is 5,20.

e. The standardized statistic is 2,366.

Table F. 12. Local Responsiveness of Management of Career Planning * MNE International Strategy in Product Differentiation * Subsidiary's Age

Crosstab

Age of the Subsidiary				MNE International Strategy- Product Differentiation (REC2)		Total
				Multi-domestic Strategy	Other	
Young Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	7	6	13
			% within MNE International Strategy- Product Differentiation (REC2)	77,8%	46,2%	59,1%
		Other	Count	2	7	9
			% within MNE International Strategy- Product Differentiation (REC2)	22,2%	53,8%	40,9%
	Total		Count	9	13	22
			% within MNE International Strategy- Product Differentiation (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	10	6	16
			% within MNE International Strategy- Product Differentiation (REC2)	83,3%	33,3%	53,3%
		Other	Count	2	12	14
			% within MNE International Strategy- Product Differentiation (REC2)	16,7%	66,7%	46,7%
	Total		Count	12	18	30
			% within MNE International Strategy- Product Differentiation (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	2,200[b]	1	,138	,203	,149	
	Continuity Correction[a]	1,086	1	,297			
	Likelihood Ratio	2,288	1	,130	,203	,149	
	Fisher's Exact Test				,203	,149	
	Linear-by-Linear Association	2,100[c]	1	,147	,203	,149	,124
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	7,232[d]	1	,007	,011	,009	
	Continuity Correction[a]	5,363	1	,021			
	Likelihood Ratio	7,727	1	,005	,011	,009	
	Fisher's Exact Test				,011	,009	
	Linear-by-Linear Association	6,991[e]	1	,008	,011	,009	,008
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 3,68.

c. The standardized statistic is 1,449.

d. 0 cells (,0%) have expected count less than 5. The minimum expected count is 5,60.

e. The standardized statistic is 2,644.

Table F. 13. Local Responsiveness of Staffing Process * MNE Control Orientation in Strategic Decisions * Subsidiary's Size

Crosstab

Size of the Subsidiary				MNE Control Orientation- Strategic Decisions (REC2)		Total
				Decentralized Control Orientation	Other	
Small Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	22	7	29
			% within MNE Control Orientation- Strategic Decisions (REC2)	95,7%	58,3%	82,9%
		Other	Count	1	5	6
			% within MNE Control Orientation- Strategic Decisions (REC2)	4,3%	41,7%	17,1%
	Total		Count	23	12	35
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	7	5	12
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	50,0%	70,6%
		Other	Count	0	5	5
			% within MNE Control Orientation- Strategic Decisions (REC2)	,0%	50,0%	29,4%
	Total		Count	7	10	17
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	7,732[b]	1	,005	,012	,012	
	Continuity Correction [a]	5,328	1	,021			
	Likelihood Ratio	7,543	1	,006	,012	,012	
	Fisher's Exact Test				,012	,012	
	Linear-by-Linear Association	7,511[c]	1	,006	,012	,012	,011
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	4,958[d]	1	,026	,044	,041	
	Continuity Correction [a]	2,842	1	,092			
	Likelihood Ratio	6,734	1	,009	,044	,041	
	Fisher's Exact Test				,044	,041	
	Linear-by-Linear Association	4,667[e]	1	,031	,044	,041	,041
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 2,06.

c. The standardized statistic is 2,741.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,06.

e. The standardized statistic is 2,160.

Table F. 14. Local Responsiveness of Staffing Process * MNE Control Orientation in Investment Decisions * Subsidiary's Size

Crosstab

Size of the Subsidiary				MNE Control Orientation- Investment Decisions (REC2)		Total
				Decentralized Control Orientation	Other	
Small Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	23	6	29
			% within MNE Control Orientation- Investment Decisions (REC2)	95,8%	54,5%	82,9%
		Other	Count	1	5	6
			% within MNE Control Orientation- Investment Decisions (REC2)	4,2%	45,5%	17,1%
	Total		Count	24	11	35
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	7	5	12
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	50,0%	70,6%
		Other	Count	0	5	5
			% within MNE Control Orientation- Investment Decisions (REC2)	,0%	50,0%	29,4%
	Total		Count	7	10	17
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	9,052[b]	1	,003	,007	,007	
	Continuity Correction [a]	6,379	1	,012			
	Likelihood Ratio	8,598	1	,003	,007	,007	
	Fisher's Exact Test				,007	,007	
	Linear-by-Linear Association	8,794[c]	1	,003	,007	,007	,007
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	4,958[d]	1	,026	,044	,041	
	Continuity Correction [a]	2,842	1	,092			
	Likelihood Ratio	6,734	1	,009	,044	,041	
	Fisher's Exact Test				,044	,041	
	Linear-by-Linear Association	4,667[e]	1	,031	,044	,041	,041
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,89.

c. The standardized statistic is 2,965.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,06.

e. The standardized statistic is 2,160.

Table F. 15. Local Responsiveness of Management of Performance Appraisal * MNE Control Orientation in Investment Decisions * Subsidiary's Size

Crosstab

Size of the Subsidiary				MNE Control Orientation- Investment Decisions (REC2)		Total
				Decentralized Control Orientation	Other	
Small Subsidiaries	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	19	3	22
			% within MNE Control Orientation- Investment Decisions (REC2)	79,2%	27,3%	62,9%
		Other	Count	5	8	13
			% within MNE Control Orientation- Investment Decisions (REC2)	20,8%	72,7%	37,1%
	Total		Count	24	11	35
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	4	2	6
			% within MNE Control Orientation- Investment Decisions (REC2)	57,1%	20,0%	35,3%
		Other	Count	3	8	11
			% within MNE Control Orientation- Investment Decisions (REC2)	42,9%	80,0%	64,7%
	Total		Count	7	10	17
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	8,700[b]	1	,003	,007	,005	
	Continuity Correction [a]	6,620	1	,010			
	Likelihood Ratio	8,725	1	,003	,007	,005	
	Fisher's Exact Test				,007	,005	
	Linear-by-Linear Association	8,452[c]	1	,004	,007	,005	,005
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	2,487[d]	1	,115	,162	,145	
	Continuity Correction [a]	1,127	1	,288			
	Likelihood Ratio	2,506	1	,113	,162	,145	
	Fisher's Exact Test				,162	,145	
	Linear-by-Linear Association	2,341[e]	1	,126	,162	,145	,127
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,09.

c. The standardized statistic is 2,907.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,47.

e. The standardized statistic is 1,530.

Table F. 16. Local Responsiveness of Management of Career Planning * MNE Control Orientation in Investment Decisions * Subsidiary's Size

Crosstab

Size of the Subsidiary				MNE Control Orientation- Investment Decisions (REC2)		Total
				Decentralized Control Orientation	Other	
Small Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	22	1	23
			% within MNE Control Orientation- Investment Decisions (REC2)	91,7%	9,1%	65,7%
		Other	Count	2	10	12
			% within MNE Control Orientation- Investment Decisions (REC2)	8,3%	90,9%	34,3%
	Total		Count	24	11	35
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	4	2	6
			% within MNE Control Orientation- Investment Decisions (REC2)	57,1%	20,0%	35,3%
		Other	Count	3	8	11
			% within MNE Control Orientation- Investment Decisions (REC2)	42,9%	80,0%	64,7%
	Total		Count	7	10	17
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	22,828[b]	1	,000	,000	,000	
	Continuity Correction [a]	19,310	1	,000			
	Likelihood Ratio	24,534	1	,000	,000	,000	
	Fisher's Exact Test				,000	,000	
	Linear-by-Linear Association	22,176[c]	1	,000	,000	,000	,000
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	2,487[d]	1	,115	,162	,145	
	Continuity Correction [a]	1,127	1	,288			
	Likelihood Ratio	2,506	1	,113	,162	,145	
	Fisher's Exact Test				,162	,145	
	Linear-by-Linear Association	2,341[e]	1	,126	,162	,145	,127
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 3,77.

c. The standardized statistic is 4,709.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,47.

e. The standardized statistic is 1,530.

Table F. 17. Local Responsiveness of Management of Career Planning * MNE International Orientation in Top Management Performance * Subsidiary's Size

Crosstab

Size of the Subsidiary				International Orientation- Top Mgt. Performance (REC2)		Total
				Polycentric	Other	
Small Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	18	5	23
			% within International Orientation- Top Mgt. Performance (REC2)	81,8%	38,5%	65,7%
		Other	Count	4	8	12
			% within International Orientation- Top Mgt. Performance (REC2)	18,2%	61,5%	34,3%
	Total		Count	22	13	35
			% within International Orientation- Top Mgt. Performance (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	3	3	6
			% within International Orientation- Top Mgt. Performance (REC2)	42,9%	30,0%	35,3%
		Other	Count	4	7	11
			% within International Orientation- Top Mgt. Performance (REC2)	57,1%	70,0%	64,7%
	Total		Count	7	10	17
			% within International Orientation- Top Mgt. Performance (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	6,818[b]	1	,009	,013	,013	
	Continuity Correction [a]	5,029	1	,025			
	Likelihood Ratio	6,819	1	,009	,024	,013	
	Fisher's Exact Test				,024	,013	
	Linear-by-Linear Association	6,623[c]	1	,010	,013	,013	,011
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	,298[d]	1	,585	,644	,484	
	Continuity Correction [a]	,001	1	,976			
	Likelihood Ratio	,296	1	,586	,644	,484	
	Fisher's Exact Test				,644	,484	
	Linear-by-Linear Association	,281[e]	1	,596	,644	,484	,339
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,46.

c. The standardized statistic is 2,573.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,47.

e. The standardized statistic is ,530.

Table F. 18. Local Responsiveness of Management of Career Planning * MNE International Orientation in Top Management Career * Subsidiary's Size

Crosstab

Size of the Subsidiary				International Orientation- Top Mgt. Career (REC2)		Total
				Polycentric	Other	
Small Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	18	5	23
			% within International Orientation- Top Mgt. Career (REC2)	81,8%	38,5%	65,7%
		Other	Count	4	8	12
			% within International Orientation- Top Mgt. Career (REC2)	18,2%	61,5%	34,3%
	Total		Count	22	13	35
			% within International Orientation- Top Mgt. Career (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	3	3	6
			% within International Orientation- Top Mgt. Career (REC2)	37,5%	33,3%	35,3%
		Other	Count	5	6	11
			% within International Orientation- Top Mgt. Career (REC2)	62,5%	66,7%	64,7%
	Total		Count	8	9	17
			% within International Orientation- Top Mgt. Career (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	6,818[b]	1	,009	,013	,013	
	Continuity Correction [a]	5,029	1	,025			
	Likelihood Ratio	6,819	1	,009	,024	,013	
	Fisher's Exact Test				,024	,013	
	Linear-by-Linear Association	6,623[c]	1	,010	,013	,013	,011
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	,032[d]	1	,858	1,000	,627	
	Continuity Correction [a]	,000	1	1,000			
	Likelihood Ratio	,032	1	,858	1,000	,627	
	Fisher's Exact Test				1,000	,627	
	Linear-by-Linear Association	,030[e]	1	,862	1,000	,627	,380
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,46.

c. The standardized statistic is 2,573.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 2,82.

e. The standardized statistic is ,174.

Table F. 19. Local Responsiveness of Management of Career Planning * MNE International Strategy in Product Manufacturing * Subsidiary's Size

Crosstab

Size of the Subsidiary				MNE International Strategy- Product Manufacturing (REC2)		Total
				Multi-domestic Strategy	Other	
Small Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	15	8	23
			% within MNE International Strategy- Product Manufacturing (REC2)	83,3%	47,1%	65,7%
		Other	Count	3	9	12
			% within MNE International Strategy- Product Manufacturing (REC2)	16,7%	52,9%	34,3%
	Total		Count	18	17	35
			% within MNE International Strategy- Product Manufacturing (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	4	2	6
			% within MNE International Strategy- Product Manufacturing (REC2)	66,7%	18,2%	35,3%
		Other	Count	2	9	11
			% within MNE International Strategy- Product Manufacturing (REC2)	33,3%	81,8%	64,7%
	Total		Count	6	11	17
			% within MNE International Strategy- Product Manufacturing (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	5,106[b]	1	,024	,035	,028	
	Continuity Correction[a]	3,623	1	,057			
	Likelihood Ratio	5,276	1	,022	,035	,028	
	Fisher's Exact Test				,035	,028	
	Linear-by-Linear Association	4,960[c]	1	,026	,035	,028	,024
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	3,996[d]	1	,046	,109	,072	
	Continuity Correction[a]	2,155	1	,142			
	Likelihood Ratio	4,005	1	,045	,109	,072	
	Fisher's Exact Test				,109	,072	
	Linear-by-Linear Association	3,761[e]	1	,052	,109	,072	,067
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 5,83.

c. The standardized statistic is 2,227.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,12.

e. The standardized statistic is 1,939.

Table F. 20. Local Responsiveness of Management of Career Planning * MNE International Strategy in Product Differentiation * Subsidiary's Size

Crosstab

Size of the Subsidiary				MNE International Strategy- Product Differentiation (REC2)		Total
				Multi-domestic Strategy	Other	
Small Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	13	10	23
			% within MNE International Strategy- Product Differentiation (REC2)	86,7%	50,0%	65,7%
		Other	Count	2	10	12
			% within MNE International Strategy- Product Differentiation (REC2)	13,3%	50,0%	34,3%
	Total		Count	15	20	35
			% within MNE International Strategy- Product Differentiation (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	4	2	6
			% within MNE International Strategy- Product Differentiation (REC2)	66,7%	18,2%	35,3%
		Other	Count	2	9	11
			% within MNE International Strategy- Product Differentiation (REC2)	33,3%	81,8%	64,7%
	Total		Count	6	11	17
			% within MNE International Strategy- Product Differentiation (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	5,115[b]	1	,024	,034	,026	
	Continuity Correction[a]	3,617	1	,057			
	Likelihood Ratio	5,498	1	,019	,034	,026	
	Fisher's Exact Test				,034	,026	
	Linear-by-Linear Association	4,969[c]	1	,026	,034	,026	,023
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	3,996[d]	1	,046	,109	,072	
	Continuity Correction[a]	2,155	1	,142			
	Likelihood Ratio	4,005	1	,045	,109	,072	
	Fisher's Exact Test				,109	,072	
	Linear-by-Linear Association	3,761[e]	1	,052	,109	,072	,067
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 5,14.

c. The standardized statistic is 2,229.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,12.

e. The standardized statistic is 1,939.

Table F. 21. Local Responsiveness of Recruitment/Selection Criteria * MNE National Origin * Subsidiary's Size

Crosstab

Size of the Subsidiary				National Origin (REC) European Origin	American Origin	Total
Small Subsidiaries	Integration/ Responsiveness- Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	23	2	25
			% within National Origin (REC)	92,0%	20,0%	71,4%
		Other	Count	2	8	10
			% within National Origin (REC)	8,0%	80,0%	28,6%
	Total		Count	25	10	35
			% within National Origin (REC)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	5	6	11
			% within National Origin (REC)	83,3%	54,5%	64,7%
		Other	Count	1	5	6
			% within National Origin (REC)	16,7%	45,5%	35,3%
	Total		Count	6	11	17
			% within National Origin (REC)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	18,144[b]	1	,000	,000	,000	
	Continuity Correction [a]	14,788	1	,000			
	Likelihood Ratio	17,932	1	,000	,000	,000	
	Fisher's Exact Test				,000	,000	
	Linear-by-Linear Association	17,626[c]	1	,000	,000	,000	,000
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	1,409[d]	1	,235	,333	,261	
	Continuity Correction [a]	,430	1	,512			
	Likelihood Ratio	1,510	1	,219	,333	,261	
	Fisher's Exact Test				,333	,261	
	Linear-by-Linear Association	1,326[e]	1	,250	,333	,261	,224
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 2,86.

c. The standardized statistic is 4,198.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,12.

e. The standardized statistic is 1,152.

Table F. 22. Local Responsiveness of Staffing Process * MNE National Origin * Subsidiary's Size

Crosstab

Size of the Subsidiary				National Origin (REC) European Origin	American Origin	Total
Small Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	24	5	29
			% within National Origin (REC)	96,0%	50,0%	82,9%
		Other	Count	1	5	6
			% within National Origin (REC)	4,0%	50,0%	17,1%
	Total		Count	25	10	35
			% within National Origin (REC)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	5	7	12
			% within National Origin (REC)	83,3%	63,6%	70,6%
		Other	Count	1	4	5
			% within National Origin (REC)	16,7%	36,4%	29,4%
	Total		Count	6	11	17
			% within National Origin (REC)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	10,641[b]	1	,001	,004	,004	
	Continuity Correction [a]	7,649	1	,006			
	Likelihood Ratio	9,810	1	,002	,004	,004	
	Fisher's Exact Test				,004	,004	
	Linear-by-Linear Association	10,337[c]	1	,001	,004	,004	,004
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	,726[d]	1	,394	,600	,395	
	Continuity Correction [a]	,087	1	,768			
	Likelihood Ratio	,770	1	,380	,600	,395	
	Fisher's Exact Test				,600	,395	
	Linear-by-Linear Association	,683[e]	1	,409	,600	,395	,320
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,71.

c. The standardized statistic is 3,215.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 1,76.

e. The standardized statistic is ,826.

Table F. 23. Local Responsiveness of Management of Performance Appraisal * MNE National Origin * Subsidiary's Size

Crosstab

Size of the Subsidiary				National Origin (REC)		Total
				European Origin	American Origin	
Small Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	21	1	22
			% within National Origin (REC)	84,0%	10,0%	62,9%
		Other	Count	4	9	13
			% within National Origin (REC)	16,0%	90,0%	37,1%
	Total		Count	25	10	35
			% within National Origin (REC)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	4	2	6
			% within National Origin (REC)	66,7%	18,2%	35,3%
		Other	Count	2	9	11
			% within National Origin (REC)	33,3%	81,8%	64,7%
	Total		Count	6	11	17
			% within National Origin (REC)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	16,753[b]	1	,000	,000	,000	
	Continuity Correction [a]	13,734	1	,000			
	Likelihood Ratio	17,695	1	,000	,000	,000	
	Fisher's Exact Test				,000	,000	
	Linear-by-Linear Association	16,275[c]	1	,000	,000	,000	,000
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	3,996[d]	1	,046	,109	,072	
	Continuity Correction [a]	2,155	1	,142			
	Likelihood Ratio	4,005	1	,045	,109	,072	
	Fisher's Exact Test				,109	,072	
	Linear-by-Linear Association	3,761[e]	1	,052	,109	,072	,067
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 3,71.

c. The standardized statistic is 4,034.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,12.

e. The standardized statistic is 1,939.

Table F. 24. Local Responsiveness of Management of Career Planning * MNE National Origin * Subsidiary's Size

Crosstab

Size of the Subsidiary				National Origin (REC) European Origin	American Origin	Total
Small Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	22	1	23
			% within National Origin (REC)	88,0%	10,0%	65,7%
		Other	Count	3	9	12
			% within National Origin (REC)	12,0%	90,0%	34,3%
	Total		Count	25	10	35
			% within National Origin (REC)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	4	2	6
			% within National Origin (REC)	66,7%	18,2%	35,3%
		Other	Count	2	9	11
			% within National Origin (REC)	33,3%	81,8%	64,7%
	Total		Count	6	11	17
			% within National Origin (REC)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	19,288[b]	1	,000	,000	,000	
	Continuity Correction [a]	15,981	1	,000			
	Likelihood Ratio	20,156	1	,000	,000	,000	
	Fisher's Exact Test				,000	,000	
	Linear-by-Linear Association	18,737[c]	1	,000	,000	,000	,000
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	3,996[d]	1	,046	,109	,072	
	Continuity Correction [a]	2,155	1	,142			
	Likelihood Ratio	4,005	1	,045	,109	,072	
	Fisher's Exact Test				,109	,072	
	Linear-by-Linear Association	3,761[e]	1	,052	,109	,072	,067
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 3,43.

c. The standardized statistic is 4,329.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,12.

e. The standardized statistic is 1,939.

Table F. 25. Local Responsiveness of Staffing Process * MNE Control Orientation in Investment Decisions * Presence of Expatriates

Crosstab

Degree of Presence of Expatriates in the Subsidiary				MNE Control Orientation- Investment Decisions (REC2) Decentralized Control Orientation	Other	Total
Low Presence	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	22	3	25
			% within MNE Control Orientation- Investment Decisions (REC2)	95,7%	50,0%	86,2%
		Other	Count	1	3	4
			% within MNE Control Orientation- Investment Decisions (REC2)	4,3%	50,0%	13,8%
	Total		Count	23	6	29
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%
High Presence	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	8	8	16
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	53,3%	69,6%
		Other	Count	0	7	7
			% within MNE Control Orientation- Investment Decisions (REC2)	,0%	46,7%	30,4%
	Total		Count	8	15	23
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Degree of Presence of Expatriates in the		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Low Presence	Pearson Chi-Square	8,341[b]	1	,004	,020	,020	
	Continuity Correction [a]	4,943	1	,026			
	Likelihood Ratio	6,724	1	,010	,020	,020	
	Fisher's Exact Test				,020	,020	
	Linear-by-Linear Association	8,053[c]	1	,005	,020	,020	,019
	N of Valid Cases	29					
High Presence	Pearson Chi-Square	5,367[d]	1	,021	,052	,026	
	Continuity Correction [a]	3,389	1	,066			
	Likelihood Ratio	7,539	1	,006	,028	,026	
	Fisher's Exact Test				,052	,026	
	Linear-by-Linear Association	5,133[e]	1	,023	,052	,026	,026
	N of Valid Cases	23					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is ,83.

c. The standardized statistic is 2,838.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 2,43.

e. The standardized statistic is 2,266.

Table F. 26. Local Responsiveness of Management of Performance Appraisal * MNE Control Orientation in Investment Decisions * Presence of Expatriates

Crosstab

Degree of Presence of Expatriates in the Subsidiary				MNE Control Orientation- Investment Decisions (REC2)		Total
				Decentralized Control Orientation	Other	
Low Presence	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	18	1	19
			% within MNE Control Orientation- Investment Decisions (REC2)	78,3%	16,7%	65,5%
		Other	Count	5	5	10
			% within MNE Control Orientation- Investment Decisions (REC2)	21,7%	83,3%	34,5%
	Total		Count	23	6	29
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%
High Presence	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	5	4	9
			% within MNE Control Orientation- Investment Decisions (REC2)	62,5%	26,7%	39,1%
		Other	Count	3	11	14
			% within MNE Control Orientation- Investment Decisions (REC2)	37,5%	73,3%	60,9%
	Total		Count	8	15	23
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Degree of Presence of Expatriates in the		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Low Presence	Pearson Chi-Square	7,991[b]	1	,005	,011	,011	
	Continuity Correction [a]	5,497	1	,019			
	Likelihood Ratio	7,871	1	,005	,011	,011	
	Fisher's Exact Test				,011	,011	
	Linear-by-Linear Association	7,715[c]	1	,005	,011	,011	,010
	N of Valid Cases	29					
High Presence	Pearson Chi-Square	2,813[d]	1	,094	,179	,110	
	Continuity Correction [a]	1,509	1	,219			
	Likelihood Ratio	2,807	1	,094	,179	,110	
	Fisher's Exact Test				,179	,110	
	Linear-by-Linear Association	2,690[e]	1	,101	,179	,110	,094
	N of Valid Cases	23					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 2,07.

c. The standardized statistic is 2,778.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 3,13.

e. The standardized statistic is 1,640.

Table F. 27. Local Responsiveness of Management of Career Planning * MNE Control Orientation in Investment Decisions * Presence of Expatriates

Crosstab

Degree of Presence of Expatriates in the Subsidiary				MNE Control Orientation- Investment Decisions (REC2)		
				Decentralized Control Orientation	Other	Total
Low Presence	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	21	0	21
			% within MNE Control Orientation- Investment Decisions (REC2)	91,3%	,0%	72,4%
		Other	Count	2	6	8
			% within MNE Control Orientation- Investment Decisions (REC2)	8,7%	100,0%	27,6%
	Total		Count	23	6	29
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%
High Presence	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	5	3	8
			% within MNE Control Orientation- Investment Decisions (REC2)	62,5%	20,0%	34,8%
		Other	Count	3	12	15
			% within MNE Control Orientation- Investment Decisions (REC2)	37,5%	80,0%	65,2%
	Total		Count	8	15	23
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Degree of Presence of Expatriates in the		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Low Presence	Pearson Chi-Square	19,859[b]	1	,000	,000	,000	
	Continuity Correction [a]	15,551	1	,000			
	Likelihood Ratio	20,572	1	,000	,000	,000	
	Fisher's Exact Test				,000	,000	
	Linear-by-Linear Association	19,174[c]	1	,000	,000	,000	,000
	N of Valid Cases	29					
High Presence	Pearson Chi-Square	4,154[d]	1	,042	,071	,058	
	Continuity Correction [a]	2,492	1	,114			
	Likelihood Ratio	4,123	1	,042	,071	,058	
	Fisher's Exact Test				,071	,058	
	Linear-by-Linear Association	3,974[e]	1	,046	,071	,058	,052
	N of Valid Cases	23					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,66.

c. The standardized statistic is 4,379.

d. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 2,78.

e. The standardized statistic is 1,993.

Table F. 28. Local Responsiveness of Recruitment/Selection Criteria * MNE National Origin * Presence of Expatriates

Crosstab

Degree of Presence of Expatriates in the Subsidiary				National Origin (REC)		
				European Origin	American Origin	Total
Low Presence	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	20	5	25
			% within National Origin (REC)	95,2%	62,5%	86,2%
		Other	Count	1	3	4
			% within National Origin (REC)	4,8%	37,5%	13,8%
	Total		Count	21	8	29
			% within National Origin (REC)	100,0%	100,0%	100,0%
High Presence	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	9	7	16
			% within National Origin (REC)	90,0%	53,8%	69,6%
		Other	Count	1	6	7
			% within National Origin (REC)	10,0%	46,2%	30,4%
	Total		Count	10	13	23
			% within National Origin (REC)	100,0%	100,0%	100,0%

Chi-Square Tests

Degree of Presence of Expatriates in the		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Low Presence	Pearson Chi-Square	5,222[b]	1	,022	,052	,052	
	Continuity Correction [a]	2,831	1	,092			
	Likelihood Ratio	4,643	1	,031	,052	,052	
	Fisher's Exact Test				,052	,052	
	Linear-by-Linear Association	5,042[c]	1	,025	,052	,052	,050
	N of Valid Cases	29					
High Presence	Pearson Chi-Square	3,489[d]	1	,062	,089	,077	
	Continuity Correction [a]	1,991	1	,158			
	Likelihood Ratio	3,821	1	,051	,089	,077	
	Fisher's Exact Test				,089	,077	
	Linear-by-Linear Association	3,338[e]	1	,068	,089	,077	,070
	N of Valid Cases	23					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,10.

c. The standardized statistic is 2,245.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 3,04.

e. The standardized statistic is 1,827.

Table F. 29. Local Responsiveness of Management of Performance Appraisal * MNE National Origin * Presence of Expatriates

Crosstab

Degree of Presence of Expatriates in the Subsidiary				National Origin (REC)		
				European Origin	American Origin	Total
Low Presence	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	19	0	19
			% within National Origin (REC)	90,5%	,0%	65,5%
		Other	Count	2	8	10
			% within National Origin (REC)	9,5%	100,0%	34,5%
	Total		Count	21	8	29
			% within National Origin (REC)	100,0%	100,0%	100,0%
High Presence	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	6	3	9
			% within National Origin (REC)	60,0%	23,1%	39,1%
		Other	Count	4	10	14
			% within National Origin (REC)	40,0%	76,9%	60,9%
	Total		Count	10	13	23
			% within National Origin (REC)	100,0%	100,0%	100,0%

Chi-Square Tests

Degree of Presence of Expatriates in the		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Low Presence	Pearson Chi-Square	20,990[b]	1	,000	,000	,000	
	Continuity Correction [a]	17,177	1	,000			
	Likelihood Ratio	24,154	1	,000	,000	,000	
	Fisher's Exact Test				,000	,000	
	Linear-by-Linear Association	20,267[c]	1	,000	,000	,000	,000
	N of Valid Cases	29					
High Presence	Pearson Chi-Square	3,235[d]	1	,072	,102	,086	
	Continuity Correction [a]	1,871	1	,171			
	Likelihood Ratio	3,284	1	,070	,102	,086	
	Fisher's Exact Test				,102	,086	
	Linear-by-Linear Association	3,095[e]	1	,079	,102	,086	,073
	N of Valid Cases	23					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 2,76.

c. The standardized statistic is 4,502.

d. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 3,91.

e. The standardized statistic is 1,759.

Table F. 30. Local Responsiveness of Management of Career Planning * MNE National Origin * Presence of Expatriates

Crosstab

Degree of Presence of Expatriates in the Subsidiary				National Origin (REC)		
				European Origin	American Origin	Total
Low Presence	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	20	1	21
			% within National Origin (REC)	95,2%	12,5%	72,4%
		Other	Count	1	7	8
			% within National Origin (REC)	4,8%	87,5%	27,6%
	Total		Count	21	8	29
			% within National Origin (REC)	100,0%	100,0%	100,0%
High Presence	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	6	2	8
			% within National Origin (REC)	60,0%	15,4%	34,8%
		Other	Count	4	11	15
			% within National Origin (REC)	40,0%	84,6%	65,2%
	Total		Count	10	13	23
			% within National Origin (REC)	100,0%	100,0%	100,0%

Chi-Square Tests

Degree of Presence of Expatriates in the		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Low Presence	Pearson Chi-Square	19,852[b]	1	,000	,000	,000	
	Continuity Correction [a]	15,926	1	,000			
	Likelihood Ratio	20,093	1	,000	,000	,000	
	Fisher's Exact Test				,000	,000	
	Linear-by-Linear Association	19,168[c]	1	,000	,000	,000	,000
	N of Valid Cases	29					
High Presence	Pearson Chi-Square	4,960[d]	1	,026	,039	,037	
	Continuity Correction [a]	3,188	1	,074			
	Likelihood Ratio	5,098	1	,024	,074	,037	
	Fisher's Exact Test				,039	,037	
	Linear-by-Linear Association	4,744[e]	1	,029	,039	,037	,033
	N of Valid Cases	23					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 2,21.

c. The standardized statistic is 4,378.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 3,48.

e. The standardized statistic is 2,178.

Table F. 31. Local Responsiveness of Management of Performance Appraisal * Subsidiary's Dependence on the Local Context for Technology * Subsidiary's Age

Crosstab

Age of the Subsidiary				Subsidiary Dependence-Technology (REC2): Dependent on the local context	Subsidiary Dependence-Technology (REC2): Other	Total
Young Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	8	3	11
			% within Subsidiary Dependence-Technology (REC2)	57,1%	37,5%	50,0%
		Other	Count	6	5	11
			% within Subsidiary Dependence-Technology (REC2)	42,9%	62,5%	50,0%
	Total		Count	14	8	22
			% within Subsidiary Dependence-Technology (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	14	3	17
			% within Subsidiary Dependence-Technology (REC2)	87,5%	21,4%	56,7%
		Other	Count	2	11	13
			% within Subsidiary Dependence-Technology (REC2)	12,5%	78,6%	43,3%
	Total		Count	16	14	30
			% within Subsidiary Dependence-Technology (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	,786[b]	1	,375	,659	,330	
	Continuity Correction [a]	,196	1	,658			
	Likelihood Ratio	,792	1	,373	,659	,330	
	Fisher's Exact Test				,659	,330	
	Linear-by-Linear Association	,750[c]	1	,386	,659	,330	,238
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	13,274[d]	1	,000	,001	,000	
	Continuity Correction [a]	10,720	1	,001			
	Likelihood Ratio	14,449	1	,000	,001	,000	
	Fisher's Exact Test				,001	,000	
	Linear-by-Linear Association	12,832[e]	1	,000	,001	,000	,000
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 4,00.

c. The standardized statistic is ,866.

d. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,07.

e. The standardized statistic is 3,582.

Table F. 32. Local Responsiveness of Management of Career Planning * Subsidiary's Dependence on the Local Context for Technology * Subsidiary's Age

Crosstab

Age of the Subsidiary				Subsidiary Dependence-Technology (REC2): Dependent on the local context	Subsidiary Dependence-Technology (REC2): Other	Total
Young Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	9	4	13
			% within Subsidiary Dependence-Technology (REC2)	64,3%	50,0%	59,1%
		Other	Count	5	4	9
			% within Subsidiary Dependence-Technology (REC2)	35,7%	50,0%	40,9%
	Total		Count	14	8	22
			% within Subsidiary Dependence-Technology (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	13	3	16
			% within Subsidiary Dependence-Technology (REC2)	81,3%	21,4%	53,3%
		Other	Count	3	11	14
			% within Subsidiary Dependence-Technology (REC2)	18,8%	78,6%	46,7%
	Total		Count	16	14	30
			% within Subsidiary Dependence-Technology (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	,430[b]	1	,512	,662	,416	
	Continuity Correction [a]	,042	1	,838			
	Likelihood Ratio	,428	1	,513	,662	,416	
	Fisher's Exact Test				,662	,416	
	Linear-by-Linear Association	,410[c]	1	,522	,662	,416	,282
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	10,736[d]	1	,001	,003	,001	
	Continuity Correction [a]	8,467	1	,004			
	Likelihood Ratio	11,465	1	,001	,003	,001	
	Fisher's Exact Test				,003	,001	
	Linear-by-Linear Association	10,378[e]	1	,001	,003	,001	,001
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 3,27.

c. The standardized statistic is ,641.

d. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,53.

e. The standardized statistic is 3,221.

Table F. 33. Local Responsiveness of Management of Performance Appraisal * Influence of Justification of Termination Provision * Subsidiary's Age

Crosstab

Age of the Subsidiary				Influence of Justification of Termination Provision: Low Conformance	High Conformace	Total
Young Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	11	0	11
			% within Influence of Justification of Termination Provision	57,9%	,0%	50,0%
		Other	Count	8	3	11
			% within Influence of Justification of Termination Provision	42,1%	100,0%	50,0%
	Total		Count	19	3	22
			% within Influence of Justification of Termination Provision	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	14	3	17
			% within Influence of Justification of Termination Provision	77,8%	25,0%	56,7%
		Other	Count	4	9	13
			% within Influence of Justification of Termination Provision	22,2%	75,0%	43,3%
	Total		Count	18	12	30
			% within Influence of Justification of Termination Provision	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	3,474[b]	1	,062	,214	,107	
	Continuity Correction [a]	1,544	1	,214			
	Likelihood Ratio	4,635	1	,031	,214	,107	
	Fisher's Exact Test				,214	,107	
	Linear-by-Linear Association	3,316[c]	1	,069	,214	,107	,107
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	8,167[d]	1	,004	,008	,006	
	Continuity Correction [a]	6,160	1	,013			
	Likelihood Ratio	8,488	1	,004	,008	,006	
	Fisher's Exact Test				,008	,006	
	Linear-by-Linear Association	7,895[e]	1	,005	,008	,006	,006
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,50.

c. The standardized statistic is 1,821.

d. 0 cells (,0%) have expected count less than 5. The minimum expected count is 5,20.

e. The standardized statistic is 2,810.

Table F. 34. Local Responsiveness of Management of Career Planning * Influence of Justification of Termination Provision * Subsidiary's Age

Crosstab

Age of the Subsidiary				Influence of Justification of Termination Provision: Low Conformance	High Conformace	Total
Young Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	13	0	13
			% within Influence of Justification of Termination Provision	68,4%	,0%	59,1%
		Other	Count	6	3	9
			% within Influence of Justification of Termination Provision	31,6%	100,0%	40,9%
	Total		Count	19	3	22
			% within Influence of Justification of Termination Provision	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	13	3	16
			% within Influence of Justification of Termination Provision	72,2%	25,0%	53,3%
		Other	Count	5	9	14
			% within Influence of Justification of Termination Provision	27,8%	75,0%	46,7%
	Total		Count	18	12	30
			% within Influence of Justification of Termination Provision	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	5,018[b]	1	,025	,055	,055	
	Continuity Correction[a]	2,586	1	,108			
	Likelihood Ratio	6,068	1	,014	,055	,055	
	Fisher's Exact Test				,055	,055	
	Linear-by-Linear Association	4,789[c]	1	,029	,055	,055	,055
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	6,451[d]	1	,011	,024	,014	
	Continuity Correction[a]	4,693	1	,030			
	Likelihood Ratio	6,689	1	,010	,024	,014	
	Fisher's Exact Test				,024	,014	
	Linear-by-Linear Association	6,236[e]	1	,013	,024	,014	,013
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,23.

c. The standardized statistic is 2,188.

d. 0 cells (,0%) have expected count less than 5. The minimum expected count is 5,60.

e. The standardized statistic is 2,497.

Table F. 35. Local Responsiveness of Management of Performance Appraisal * Subsidiary's Relationship with Local Customers/Consumers * Subsidiary's Age

Crosstab

Age of the Subsidiary				Relationship with Customers/ Consumers (REC2): Extensive	Other	Total
Young Subsidiaries	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	8	3	11
			% within Relationship with Customers/Consumers (REC2)	57,1%	37,5%	50,0%
		Other	Count	6	5	11
			% within Relationship with Customers/Consumers (REC2)	42,9%	62,5%	50,0%
	Total		Count	14	8	22
			% within Relationship with Customers/Consumers (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	12	5	17
			% within Relationship with Customers/Consumers (REC2)	85,7%	31,3%	56,7%
		Other	Count	2	11	13
			% within Relationship with Customers/Consumers (REC2)	14,3%	68,8%	43,3%
	Total		Count	14	16	30
			% within Relationship with Customers/Consumers (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	,786[b]	1	,375	,659	,330	
	Continuity Correction [a]	,196	1	,658			
	Likelihood Ratio	,792	1	,373	,659	,330	
	Fisher's Exact Test				,659	,330	
	Linear-by-Linear Association	,750[c]	1	,386	,659	,330	,238
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	9,020[d]	1	,003	,004	,004	
	Continuity Correction [a]	6,938	1	,008			
	Likelihood Ratio	9,696	1	,002	,004	,004	
	Fisher's Exact Test				,004	,004	
	Linear-by-Linear Association	8,719[e]	1	,003	,004	,004	,003
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 4,00.

c. The standardized statistic is ,866.

d. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,07.

e. The standardized statistic is 2,953.

Table F. 36. Local Responsiveness of Management of Career Planning * Subsidiary's Relationship with Local Customers/Consumers * Subsidiary's Age

Crosstab

Age of the Subsidiary				Relationship with Customers/ Consumers (REC2) Extensive	Relationship with Customers/ Consumers (REC2) Other	Total
Young Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	9	4	13
			% within Relationship with Customers/Consumers (REC2)	64,3%	50,0%	59,1%
		Other	Count	5	4	9
			% within Relationship with Customers/Consumers (REC2)	35,7%	50,0%	40,9%
	Total		Count	14	8	22
			% within Relationship with Customers/Consumers (REC2)	100,0%	100,0%	100,0%
Old Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	12	4	16
			% within Relationship with Customers/Consumers (REC2)	85,7%	25,0%	53,3%
		Other	Count	2	12	14
			% within Relationship with Customers/Consumers (REC2)	14,3%	75,0%	46,7%
	Total		Count	14	16	30
			% within Relationship with Customers/Consumers (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Age of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Young Subsidiaries	Pearson Chi-Square	,430[b]	1	,512	,662	,416	
	Continuity Correction [a]	,042	1	,838			
	Likelihood Ratio	,428	1	,513	,662	,416	
	Fisher's Exact Test				,662	,416	
	Linear-by-Linear Association	,410[c]	1	,522	,662	,416	,282
	N of Valid Cases	22					
Old Subsidiaries	Pearson Chi-Square	11,059[d]	1	,001	,001	,001	
	Continuity Correction [a]	8,754	1	,003			
	Likelihood Ratio	11,977	1	,001	,001	,001	
	Fisher's Exact Test				,001	,001	
	Linear-by-Linear Association	10,690[e]	1	,001	,001	,001	,001
	N of Valid Cases	30					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 3,27.

c. The standardized statistic is ,641.

d. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,53.

e. The standardized statistic is 3,270.

Table F. 37. Local Responsiveness of Management of Performance Appraisal * Subsidiary's Dependence on the Local Context for Know-How * Subsidiary's Size

Crosstab

Size of the Subsidiary				Subsidiary Dependence-Know-How (REC2): Dependent on the local context	Subsidiary Dependence-Know-How (REC2): Other	Total
Small Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	19	3	22
			% within Subsidiary Dependence-Know-How (REC2)	79,2%	27,3%	62,9%
		Other	Count	5	8	13
			% within Subsidiary Dependence-Know-How (REC2)	20,8%	72,7%	37,1%
	Total		Count	24	11	35
			% within Subsidiary Dependence-Know-How (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	3	3	6
			% within Subsidiary Dependence-Know-How (REC2)	60,0%	25,0%	35,3%
		Other	Count	2	9	11
			% within Subsidiary Dependence-Know-How (REC2)	40,0%	75,0%	64,7%
	Total		Count	5	12	17
			% within Subsidiary Dependence-Know-How (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	8,700[b]	1	,003	,007	,005	
	Continuity Correction [a]	6,620	1	,010			
	Likelihood Ratio	8,725	1	,003	,007	,005	
	Fisher's Exact Test				,007	,005	
	Linear-by-Linear Association	8,452[c]	1	,004	,007	,005	,005
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	1,893[d]	1	,169	,280	,205	
	Continuity Correction [a]	,671	1	,413			
	Likelihood Ratio	1,848	1	,174	,280	,205	
	Fisher's Exact Test				,280	,205	
	Linear-by-Linear Association	1,782[e]	1	,182	,280	,205	,178
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,09.

c. The standardized statistic is 2,907.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 1,76.

e. The standardized statistic is 1,335.

Table F. 38. Local Responsiveness of Management of Career Planning * Subsidiary's Dependence on the Local Context for Know-How * Subsidiary's Size

Crosstab

Size of the Subsidiary				Subsidiary Dependence-Know-How (REC2): Dependent on the local context	Subsidiary Dependence-Know-How (REC2): Other	Total
Small Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	19	4	23
			% within Subsidiary Dependence-Know-How (REC2)	79,2%	36,4%	65,7%
		Other	Count	5	7	12
			% within Subsidiary Dependence-Know-How (REC2)	20,8%	63,6%	34,3%
	Total		Count	24	11	35
			% within Subsidiary Dependence-Know-How (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	3	3	6
			% within Subsidiary Dependence-Know-How (REC2)	60,0%	25,0%	35,3%
		Other	Count	2	9	11
			% within Subsidiary Dependence-Know-How (REC2)	40,0%	75,0%	64,7%
	Total		Count	5	12	17
			% within Subsidiary Dependence-Know-How (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	6,134[b]	1	,013	,022	,019	
	Continuity Correction [a]	4,381	1	,036			
	Likelihood Ratio	6,020	1	,014	,022	,019	
	Fisher's Exact Test				,022	,019	
	Linear-by-Linear Association	5,958[c]	1	,015	,022	,019	,017
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	1,893[d]	1	,169	,280	,205	
	Continuity Correction [a]	,671	1	,413			
	Likelihood Ratio	1,848	1	,174	,280	,205	
	Fisher's Exact Test				,280	,205	
	Linear-by-Linear Association	1,782[e]	1	,182	,280	,205	,178
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 3,77.

c. The standardized statistic is 2,441.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 1,76.

e. The standardized statistic is 1,335.

Table F. 39. Local Responsiveness of Recruitment/Selection Criteria * Influence of Justification of Termination Provision * Subsidiary's Size

Crosstab

Size of the Subsidiary				Influence of Justification of Termination Provision: Low Conformance	Influence of Justification of Termination Provision: High Conformace	Total
Small Subsidiaries	Integration/ Responsiveness-Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	22	3	25
			% within Influence of Justification of Termination Provision	81,5%	37,5%	71,4%
		Other	Count	5	5	10
			% within Influence of Justification of Termination Provision	18,5%	62,5%	28,6%
	Total		Count	27	8	35
			% within Influence of Justification of Termination Provision	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness-Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	7	4	11
			% within Influence of Justification of Termination Provision	70,0%	57,1%	64,7%
		Other	Count	3	3	6
			% within Influence of Justification of Termination Provision	30,0%	42,9%	35,3%
	Total		Count	10	7	17
			% within Influence of Justification of Termination Provision	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	5,850[b]	1	,016	,027	,027	
	Continuity Correction [a]	3,893	1	,048			
	Likelihood Ratio	5,419	1	,020	,073	,027	
	Fisher's Exact Test				,027	,027	
	Linear-by-Linear Association	5,682[c]	1	,017	,027	,027	,025
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	,298[d]	1	,585	,644	,484	
	Continuity Correction [a]	,001	1	,976			
	Likelihood Ratio	,296	1	,586	,644	,484	
	Fisher's Exact Test				,644	,484	
	Linear-by-Linear Association	,281[e]	1	,596	,644	,484	,339
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 2,29.

c. The standardized statistic is 2,384.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,47.

e. The standardized statistic is ,530.

Table F. 40. Local Responsiveness of Management of Performance Appraisal * Influence of Justification of Termination Provision * Subsidiary's Size

Crosstab

Size of the Subsidiary				Subsidiary Dependence-Know-How (REC2): Dependent on the local context	Subsidiary Dependence-Know-How (REC2): Other	Total
Small Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	19	3	22
			% within Subsidiary Dependence-Know-How (REC2)	79,2%	27,3%	62,9%
		Other	Count	5	8	13
			% within Subsidiary Dependence-Know-How (REC2)	20,8%	72,7%	37,1%
	Total		Count	24	11	35
			% within Subsidiary Dependence-Know-How (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	3	3	6
			% within Subsidiary Dependence-Know-How (REC2)	60,0%	25,0%	35,3%
		Other	Count	2	9	11
			% within Subsidiary Dependence-Know-How (REC2)	40,0%	75,0%	64,7%
	Total		Count	5	12	17
			% within Subsidiary Dependence-Know-How (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	8,700[b]	1	,003	,007	,005	
	Continuity Correction[a]	6,620	1	,010			
	Likelihood Ratio	8,725	1	,003	,007	,005	
	Fisher's Exact Test				,007	,005	
	Linear-by-Linear Association	8,452[c]	1	,004	,007	,005	,005
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	1,893[d]	1	,169	,280	,205	
	Continuity Correction[a]	,671	1	,413			
	Likelihood Ratio	1,848	1	,174	,280	,205	
	Fisher's Exact Test				,280	,205	
	Linear-by-Linear Association	1,782[e]	1	,182	,280	,205	,178
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,09.

c. The standardized statistic is 2,907.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 1,76.

e. The standardized statistic is 1,335.

Table F. 41. Local Responsiveness of Management of Career Planning * Influence of Justification of Termination Provision * Subsidiary's Size

Crosstab

Size of the Subsidiary				Influence of Justification of Termination Provision: Low Conformance	Influence of Justification of Termination Provision: High Conformace	Total
Small Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	21	2	23
			% within Influence of Justification of Termination Provision	77,8%	25,0%	65,7%
		Other	Count	6	6	12
			% within Influence of Justification of Termination Provision	22,2%	75,0%	34,3%
	Total		Count	27	8	35
			% within Influence of Justification of Termination Provision	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	5	1	6
			% within Influence of Justification of Termination Provision	50,0%	14,3%	35,3%
		Other	Count	5	6	11
			% within Influence of Justification of Termination Provision	50,0%	85,7%	64,7%
	Total		Count	10	7	17
			% within Influence of Justification of Termination Provision	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	7,630[b]	1	,006	,011	,011	
	Continuity Correction [a]	5,467	1	,019			
	Likelihood Ratio	7,402	1	,007	,032	,011	
	Fisher's Exact Test				,011	,011	
	Linear-by-Linear Association	7,412[c]	1	,006	,011	,011	,010
	N of Valid Cases	35					
Large Subsidiaries	Pearson Chi-Square	2,300[d]	1	,129	,304	,160	
	Continuity Correction [a]	1,002	1	,317			
	Likelihood Ratio	2,470	1	,116	,304	,160	
	Fisher's Exact Test				,304	,160	
	Linear-by-Linear Association	2,165[e]	1	,141	,304	,160	,143
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 2,74.

c. The standardized statistic is 2,722.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,47.

e. The standardized statistic is 1,471.

Table F. 42. Local Responsiveness of Recruitment/Selection Criteria * Subsidiary's Relationship with Competitors* Subsidiary's Size

Crosstab

Size of the Subsidiary				Relationship with Competitors (REC2)		Total
				Extensive	Other	
Small Subsidiaries	Integration/ Responsiveness-Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	19	6	25
			% within Relationship with Competitors (REC2)	90,5%	46,2%	73,5%
		Other	Count	2	7	9
			% within Relationship with Competitors (REC2)	9,5%	53,8%	26,5%
	Total		Count	21	13	34
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness-Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	4	7	11
			% within Relationship with Competitors (REC2)	66,7%	63,6%	64,7%
		Other	Count	2	4	6
			% within Relationship with Competitors (REC2)	33,3%	36,4%	35,3%
	Total		Count	6	11	17
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	8,104[b]	1	,004	,007	,007	
	Continuity Correction [a]	5,987	1	,014			
	Likelihood Ratio	8,145	1	,004	,013	,007	
	Fisher's Exact Test				,013	,007	
	Linear-by-Linear Association	7,866[c]	1	,005	,007	,007	,007
	N of Valid Cases	34					
Large Subsidiaries	Pearson Chi-Square	,016[d]	1	,901	1,000	,661	
	Continuity Correction [a]	,000	1	1,000			
	Likelihood Ratio	,016	1	,900	1,000	,661	
	Fisher's Exact Test				1,000	,661	
	Linear-by-Linear Association	,015[e]	1	,904	1,000	,661	,400
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 3,44.

c. The standardized statistic is 2,805.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,12.

e. The standardized statistic is ,121.

Table F. 43. Local Responsiveness of Staffing Process * Subsidiary's Relationship with Competitors* Subsidiary's Size

Crosstab

Size of the Subsidiary				Relationship with Competitors (REC2) Extensive	Other	Total
Small Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	21	8	29
			% within Relationship with Competitors (REC2)	100,0%	61,5%	85,3%
		Other	Count	0	5	5
			% within Relationship with Competitors (REC2)	,0%	38,5%	14,7%
	Total		Count	21	13	34
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	4	8	12
			% within Relationship with Competitors (REC2)	66,7%	72,7%	70,6%
		Other	Count	2	3	5
			% within Relationship with Competitors (REC2)	33,3%	27,3%	29,4%
	Total		Count	6	11	17
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	9,469[b]	1	,002	,005	,005	
	Continuity Correction [a]	6,651	1	,010			
	Likelihood Ratio	11,072	1	,001	,005	,005	
	Fisher's Exact Test				,005	,005	
	Linear-by-Linear Association	9,191[c]	1	,002	,005	,005	,005
	N of Valid Cases	34					
Large Subsidiaries	Pearson Chi-Square	,069[d]	1	,793	1,000	,605	
	Continuity Correction [a]	,000	1	1,000			
	Likelihood Ratio	,068	1	,794	1,000	,605	
	Fisher's Exact Test				1,000	,605	
	Linear-by-Linear Association	,065[e]	1	,799	1,000	,605	,400
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,91.

c. The standardized statistic is 3,032.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 1,76.

e. The standardized statistic is -,254.

Table F. 44. Local Responsiveness of International/Local Trainings * Subsidiary's Relationship with Competitors* Subsidiary's Size

Crosstab

Size of the Subsidiary				Relationship with Competitors (REC2) Extensive	Other	Total
Small Subsidiaries	Integration/ Responsiveness- International vs. Local Training (REC2)	Locally Responsive	Count	21	9	30
			% within Relationship with Competitors (REC2)	100,0%	69,2%	88,2%
		Other	Count	0	4	4
			% within Relationship with Competitors (REC2)	,0%	30,8%	11,8%
	Total		Count	21	13	34
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- International vs. Local Training (REC2)	Locally Responsive	Count	4	9	13
			% within Relationship with Competitors (REC2)	66,7%	81,8%	76,5%
		Other	Count	2	2	4
			% within Relationship with Competitors (REC2)	33,3%	18,2%	23,5%
	Total		Count	6	11	17
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	7,323[b]	1	,007	,015	,015	
	Continuity Correction [a]	4,659	1	,031			
	Likelihood Ratio	8,582	1	,003	,015	,015	
	Fisher's Exact Test				,015	,015	
	Linear-by-Linear Association	7,108[c]	1	,008	,015	,015	,015
	N of Valid Cases	34					
Large Subsidiaries	Pearson Chi-Square	,495[d]	1	,482	,584	,445	
	Continuity Correction [a]	,011	1	,916			
	Likelihood Ratio	,481	1	,488	,584	,445	
	Fisher's Exact Test				,584	,445	
	Linear-by-Linear Association	,466[e]	1	,495	,584	,445	,347
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,53.

c. The standardized statistic is 2,666.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 1,41.

e. The standardized statistic is -,683.

Table F. 45. Local Responsiveness of Management of Performance Appraisal * Subsidiary's Relationship with Competitors* Subsidiary's Size

Crosstab

Size of the Subsidiary				Relationship with Competitors (REC2) Extensive	Other	Total
Small Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	19	3	22
			% within Relationship with Competitors (REC2)	90,5%	23,1%	64,7%
		Other	Count	2	10	12
			% within Relationship with Competitors (REC2)	9,5%	76,9%	35,3%
	Total		Count	21	13	34
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	3	3	6
			% within Relationship with Competitors (REC2)	50,0%	27,3%	35,3%
		Other	Count	3	8	11
			% within Relationship with Competitors (REC2)	50,0%	72,7%	64,7%
	Total		Count	6	11	17
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	15,972[b]	1	,000	,000	,000	
	Continuity Correction [a]	13,157	1	,000			
	Likelihood Ratio	16,895	1	,000	,000	,000	
	Fisher's Exact Test				,000	,000	
	Linear-by-Linear Association	15,502[c]	1	,000	,000	,000	,000
	N of Valid Cases	34					
Large Subsidiaries	Pearson Chi-Square	,878[d]	1	,349	,600	,339	
	Continuity Correction [a]	,165	1	,685			
	Likelihood Ratio	,866	1	,352	,600	,339	
	Fisher's Exact Test				,600	,339	
	Linear-by-Linear Association	,826[e]	1	,363	,600	,339	,267
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,59.

c. The standardized statistic is 3,937.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,12.

e. The standardized statistic is ,909.

Table F. 46. Local Responsiveness of Management of Career Planning * Subsidiary's Relationship with Competitors* Subsidiary's Size

Crosstab

Size of the Subsidiary				Relationship with Competitors (REC2) Extensive	Other	Total
Small Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	18	5	23
			% within Relationship with Competitors (REC2)	85,7%	38,5%	67,6%
		Other	Count	3	8	11
			% within Relationship with Competitors (REC2)	14,3%	61,5%	32,4%
	Total		Count	21	13	34
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%
Large Subsidiaries	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	3	3	6
			% within Relationship with Competitors (REC2)	50,0%	27,3%	35,3%
		Other	Count	3	8	11
			% within Relationship with Competitors (REC2)	50,0%	72,7%	64,7%
	Total		Count	6	11	17
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Size of the Subsidiary		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Small Subsidiaries	Pearson Chi-Square	8,192[b]	1	,004	,008	,007	
	Continuity Correction [a]	6,175	1	,013			
	Likelihood Ratio	8,258	1	,004	,008	,007	
	Fisher's Exact Test				,008	,007	
	Linear-by-Linear Association	7,951[c]	1	,005	,008	,007	,006
	N of Valid Cases	34					
Large Subsidiaries	Pearson Chi-Square	,878[d]	1	,349	,600	,339	
	Continuity Correction [a]	,165	1	,685			
	Likelihood Ratio	,866	1	,352	,600	,339	
	Fisher's Exact Test				,600	,339	
	Linear-by-Linear Association	,826[e]	1	,363	,600	,339	,267
	N of Valid Cases	17					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 4,21.

c. The standardized statistic is 2,820.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is 2,12.

e. The standardized statistic is ,909.

Table F. 47. Local Responsiveness of Management of Performance Appraisal * Subsidiary's Dependence on the Local Context for Know-How * Presence of Expatriates

Crosstab

Degree of Presence of Expatriates in the Subsidiary				Subsidiary Dependence-Know-How (REC2) Dependent on the local context	Other	Total
Low Presence	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	18	1	19
			% within Subsidiary Dependence-Know-How (REC2)	81,8%	14,3%	65,5%
		Other	Count	4	6	10
			% within Subsidiary Dependence-Know-How (REC2)	18,2%	85,7%	34,5%
	Total		Count	22	7	29
			% within Subsidiary Dependence-Know-How (REC2)	100,0%	100,0%	100,0%
High Presence	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	4	5	9
			% within Subsidiary Dependence-Know-How (REC2)	57,1%	31,3%	39,1%
		Other	Count	3	11	14
			% within Subsidiary Dependence-Know-How (REC2)	42,9%	68,8%	60,9%
	Total		Count	7	16	23
			% within Subsidiary Dependence-Know-How (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Degree of Presence of Expatriates in the		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Low Presence	Pearson Chi-Square	10,720[b]	1	,001	,003	,003	
	Continuity Correction [a]	7,939	1	,005			
	Likelihood Ratio	10,759	1	,001	,003	,003	
	Fisher's Exact Test				,003	,003	
	Linear-by-Linear Association	10,350[c]	1	,001	,003	,003	,003
	N of Valid Cases	29					
High Presence	Pearson Chi-Square	1,371[d]	1	,242	,363	,239	
	Continuity Correction [a]	,499	1	,480			
	Likelihood Ratio	1,354	1	,245	,363	,239	
	Fisher's Exact Test				,363	,239	
	Linear-by-Linear Association	1,311[e]	1	,252	,363	,239	,187
	N of Valid Cases	23					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 2,41.

c. The standardized statistic is 3,217.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 2,74.

e. The standardized statistic is 1,145.

Table F. 48. Local Responsiveness of Management of Career Planning * Subsidiary's Dependence on the Local Context for Know-How * Presence of Expatriates

Crosstab

Degree of Presence of Expatriates in the Subsidiary				Subsidiary Dependence-Know-How (REC2): Dependent on the local context	Subsidiary Dependence-Know-How (REC2): Other	Total
Low Presence	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	19	2	21
			% within Subsidiary Dependence-Know-How (REC2)	86,4%	28,6%	72,4%
		Other	Count	3	5	8
			% within Subsidiary Dependence-Know-How (REC2)	13,6%	71,4%	27,6%
	Total		Count	22	7	29
			% within Subsidiary Dependence-Know-How (REC2)	100,0%	100,0%	100,0%
High Presence	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	3	5	8
			% within Subsidiary Dependence-Know-How (REC2)	42,9%	31,3%	34,8%
		Other	Count	4	11	15
			% within Subsidiary Dependence-Know-How (REC2)	57,1%	68,8%	65,2%
	Total		Count	7	16	23
			% within Subsidiary Dependence-Know-How (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Degree of Presence of Expatriates in the		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Low Presence	Pearson Chi-Square	8,879[b]	1	,003	,008	,008	
	Continuity Correction [a]	6,221	1	,013			
	Likelihood Ratio	8,261	1	,004	,008	,008	
	Fisher's Exact Test				,008	,008	
	Linear-by-Linear Association	8,573[c]	1	,003	,008	,008	,008
	N of Valid Cases	29					
High Presence	Pearson Chi-Square	,289[d]	1	,591	,657	,467	
	Continuity Correction [a]	,004	1	,951			
	Likelihood Ratio	,285	1	,594	,657	,467	
	Fisher's Exact Test				,657	,467	
	Linear-by-Linear Association	,277[e]	1	,599	,657	,467	,312
	N of Valid Cases	23					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 1,93.

c. The standardized statistic is 2,928.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 2,43.

e. The standardized statistic is ,526.

Table F. 49. Local Responsiveness of Staffing Process * Subsidiary's Relationship with Competitors* Presence of Expatriates

Crosstab

Degree of Presence of Expatriates in the Subsidiary				Relationship with Competitors (REC2)		
				Extensive	Other	Total
Low Presence	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	19	6	25
			% within Relationship with Competitors (REC2)	100,0%	66,7%	89,3%
		Other	Count	0	3	3
			% within Relationship with Competitors (REC2)	,0%	33,3%	10,7%
	Total		Count	19	9	28
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%
High Presence	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	6	10	16
			% within Relationship with Competitors (REC2)	75,0%	66,7%	69,6%
		Other	Count	2	5	7
			% within Relationship with Competitors (REC2)	25,0%	33,3%	30,4%
	Total		Count	8	15	23
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Degree of Presence of Expatriates in the		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Low Presence	Pearson Chi-Square	7,093[b]	1	,008	,026	,026	
	Continuity Correction [a]	4,037	1	,045			
	Likelihood Ratio	7,611	1	,006	,026	,026	
	Fisher's Exact Test				,026	,026	
	Linear-by-Linear Association	6,840[c]	1	,009	,026	,026	,026
	N of Valid Cases	28					
High Presence	Pearson Chi-Square	,171[d]	1	,679	1,000	,533	
	Continuity Correction [a]	,000	1	1,000			
	Likelihood Ratio	,174	1	,676	1,000	,533	
	Fisher's Exact Test				1,000	,533	
	Linear-by-Linear Association	,164[e]	1	,686	1,000	,533	,343
	N of Valid Cases	23					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is ,96.

c. The standardized statistic is 2,615.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 2,43.

e. The standardized statistic is ,405.

Table F. 50. Local Responsiveness of recruitment/selection criteria * MNE Control Orientation regarding Strategic decisions * MNE National Origin

Crosstab

National Origin (REC)				MNE Control Orientation- Strategic Decisions (REC2)		
				Decentralized Control Orientation	Other	Total
European Origin	Integration/ Responsiveness- Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	5	3	8
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	18,8%	38,1%
		Other	Count	0	13	13
			% within MNE Control Orientation- Strategic Decisions (REC2)	,0%	81,3%	61,9%
	Total		Count	5	16	21
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%
American Origin	Integration/ Responsiveness- Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	24	4	28
			% within MNE Control Orientation- Strategic Decisions (REC2)	92,3%	80,0%	90,3%
		Other	Count	2	1	3
			% within MNE Control Orientation- Strategic Decisions (REC2)	7,7%	20,0%	9,7%
	Total		Count	26	5	31
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

National Origin (REC)			Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
European Origin	Pearson Chi-Square		10,664[b]	1	,001	,003	,003	
	Continuity Correction	a	7,497	1	,006			
	Likelihood Ratio		12,468	1	,000	,003	,003	
	Fisher's Exact Test					,003	,003	
	Linear-by-Linear Association		10,156[c]	1	,001	,003	,003	,003
	N of Valid Cases		21					
American Origin	Pearson Chi-Square		,727[d]	1	,394	,422	,422	
	Continuity Correction	a	,001	1	,979			
	Likelihood Ratio		,606	1	,436	1,000	,422	
	Fisher's Exact Test					,422	,422	
	Linear-by-Linear Association		,703[e]	1	,402	,422	,422	,362
	N of Valid Cases		31					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,90.

c. The standardized statistic is 3,187.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is ,48.

e. The standardized statistic is ,839.

Table F. 51. Local Responsiveness of staffing process * MNE Control Orientation regarding Strategic decisions * MNE National Origin

Crosstab

National Origin (REC)				MNE Control Orientation- Strategic Decisions (REC2): Decentralized Control Orientation	MNE Control Orientation- Strategic Decisions (REC2): Other	Total
European Origin	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	5	7	12
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	43,8%	57,1%
		Other	Count	0	9	9
			% within MNE Control Orientation- Strategic Decisions (REC2)	,0%	56,3%	42,9%
	Total		Count	5	16	21
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%
American Origin	Integration/ Responsiveness- Staffing Process (REC2)	Locally Responsive	Count	25	4	29
			% within MNE Control Orientation- Strategic Decisions (REC2)	96,2%	80,0%	93,5%
		Other	Count	1	1	2
			% within MNE Control Orientation- Strategic Decisions (REC2)	3,8%	20,0%	6,5%
	Total		Count	26	5	31
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

National Origin (REC)			Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
European Origin	Pearson Chi-Square		4,922[b]	1	,027	,045	,039	
	Continuity Correction	a	2,893	1	,089			
	Likelihood Ratio		6,752	1	,009	,045	,039	
	Fisher's Exact Test					,045	,039	
	Linear-by-Linear Association		4,688[c]	1	,030	,045	,039	,039
	N of Valid Cases		21					
American Origin	Pearson Chi-Square		1,813[d]	1	,178	,301	,301	
	Continuity Correction	a	,124	1	,724			
	Likelihood Ratio		1,350	1	,245	,301	,301	
	Fisher's Exact Test					,301	,301	
	Linear-by-Linear Association		1,755[e]	1	,185	,301	,301	,280
	N of Valid Cases		31					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 2,14.

c. The standardized statistic is 2,165.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is ,32.

e. The standardized statistic is 1,325.

Table F. 52. Local Responsiveness of performance appraisal management * MNE Control Strategic decisions * MNE National Origin

Crosstab

National Origin (REC)				MNE Control Orientation- Strategic Decisions (REC2): Decentralized Control Orientation	MNE Control Orientation- Strategic Decisions (REC2): Other	Total
European Origin	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	2	0	2
			% within MNE Control Orientation- Strategic Decisions (REC2)	40,0%	,0%	9,5%
		Other	Count	3	16	19
			% within MNE Control Orientation- Strategic Decisions (REC2)	60,0%	100,0%	90,5%
	Total		Count	5	16	21
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%
American Origin	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	24	2	26
			% within MNE Control Orientation- Strategic Decisions (REC2)	92,3%	40,0%	83,9%
		Other	Count	2	3	5
			% within MNE Control Orientation- Strategic Decisions (REC2)	7,7%	60,0%	16,1%
	Total		Count	26	5	31
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

National Origin (REC)		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
European Origin	Pearson Chi-Square	7,074[b]	1	,008	,048	,048	
	Continuity Correction[a]	3,193	1	,074			
	Likelihood Ratio	6,479	1	,011	,048	,048	
	Fisher's Exact Test				,048	,048	
	Linear-by-Linear Association	6,737[c]	1	,009	,048	,048	,048
	N of Valid Cases	21					
American Origin	Pearson Chi-Square	8,482[d]	1	,004	,020	,020	
	Continuity Correction[a]	5,056	1	,025			
	Likelihood Ratio	6,560	1	,010	,020	,020	
	Fisher's Exact Test				,020	,020	
	Linear-by-Linear Association	8,208[e]	1	,004	,020	,020	,019
	N of Valid Cases	31					

a. Computed only for a 2x2 table

b. 3 cells (75,0%) have expected count less than 5. The minimum expected count is ,48.

c. The standardized statistic is 2,596.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is ,81.

e. The standardized statistic is 2,865.

Table F. 53. Local Responsiveness of career planning management * MNE Control Strategic decisions * MNE National Origin

Crosstab

National Origin (REC)				MNE Control Orientation- Strategic Decisions (REC2): Decentralized Control Orientation	MNE Control Orientation- Strategic Decisions (REC2): Other	Total
European Origin	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	3	0	3
			% within MNE Control Orientation- Strategic Decisions (REC2)	60,0%	,0%	14,3%
		Other	Count	2	16	18
			% within MNE Control Orientation- Strategic Decisions (REC2)	40,0%	100,0%	85,7%
	Total		Count	5	16	21
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%
American Origin	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	24	2	26
			% within MNE Control Orientation- Strategic Decisions (REC2)	92,3%	40,0%	83,9%
		Other	Count	2	3	5
			% within MNE Control Orientation- Strategic Decisions (REC2)	7,7%	60,0%	16,1%
	Total		Count	26	5	31
			% within MNE Control Orientation- Strategic Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

National Origin (REC)			Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
European Origin	Pearson Chi-Square		11,200[b]	1	,001	,008	,008	
	Continuity Correction	a	6,836	1	,009			
	Likelihood Ratio		10,495	1	,001	,008	,008	
	Fisher's Exact Test					,008	,008	
	Linear-by-Linear Association		10,667[c]	1	,001	,008	,008	,008
	N of Valid Cases		21					
American Origin	Pearson Chi-Square		8,482[d]	1	,004	,020	,020	
	Continuity Correction	a	5,056	1	,025			
	Likelihood Ratio		6,560	1	,010	,020	,020	
	Fisher's Exact Test					,020	,020	
	Linear-by-Linear Association		8,208[e]	1	,004	,020	,020	,019
	N of Valid Cases		31					

a. Computed only for a 2x2 table

b. 3 cells (75,0%) have expected count less than 5. The minimum expected count is ,71.

c. The standardized statistic is 3,266.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is ,81.

e. The standardized statistic is 2,865.

Table F. 54. Local Responsiveness of recruitment/selection criteria * MNE Control Investment decisions * MNE National Origin

Crosstab

National Origin (REC)				MNE Control Orientation-Investment Decisions (REC2)		
				Decentralized Control Orientation	Other	Total
European Origin	Integration/ Responsiveness-Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	4	4	8
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	23,5%	38,1%
		Other	Count	0	13	13
			% within MNE Control Orientation- Investment Decisions (REC2)	,0%	76,5%	61,9%
	Total		Count	4	17	21
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%
American Origin	Integration/ Responsiveness-Recruitment/Selection Criteria (REC2)	Locally Responsive	Count	26	2	28
			% within MNE Control Orientation- Investment Decisions (REC2)	92,9%	66,7%	90,3%
		Other	Count	2	1	3
			% within MNE Control Orientation- Investment Decisions (REC2)	7,1%	33,3%	9,7%
	Total		Count	28	3	31
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

National Origin (REC)			Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
European Origin	Pearson Chi-Square		8,029[b]	1	,005	,012	,012	
	Continuity Correction	a	5,114	1	,024			
	Likelihood Ratio		9,360	1	,002	,012	,012	
	Fisher's Exact Test					,012	,012	
	Linear-by-Linear Association		7,647[c]	1	,006	,012	,012	,012
	N of Valid Cases		21					
American Origin	Pearson Chi-Square		2,126[d]	1	,145	,271	,271	
	Continuity Correction	a	,186	1	,667			
	Likelihood Ratio		1,483	1	,223	,271	,271	
	Fisher's Exact Test					,271	,271	
	Linear-by-Linear Association		2,058[e]	1	,151	,271	,271	,252
	N of Valid Cases		31					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 1,52.

c. The standardized statistic is 2,765.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is ,29.

e. The standardized statistic is 1,435.

Table F. 55. Local Responsiveness of performance appraisal management * MNE Control Investment decisions * MNE National Origin

Crosstab

National Origin (REC)				MNE Control Orientation- Investment Decisions (REC2)		Total
				Decentralized Control Orientation	Other	
European Origin	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	2	0	2
			% within MNE Control Orientation- Investment Decisions (REC2)	50,0%	,0%	9,5%
		Other	Count	2	17	19
			% within MNE Control Orientation- Investment Decisions (REC2)	50,0%	100,0%	90,5%
	Total		Count	4	17	21
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%
American Origin	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	25	1	26
			% within MNE Control Orientation- Investment Decisions (REC2)	89,3%	33,3%	83,9%
		Other	Count	3	2	5
			% within MNE Control Orientation- Investment Decisions (REC2)	10,7%	66,7%	16,1%
	Total		Count	28	3	31
			% within MNE Control Orientation- Investment Decisions (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

National Origin (REC)			Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
European Origin	Pearson Chi-Square		9,395[b]	1	,002	,029	,029	
	Continuity Correction	a	4,488	1	,034			
	Likelihood Ratio		7,663	1	,006	,029	,029	
	Fisher's Exact Test					,029	,029	
	Linear-by-Linear Association		8,947[c]	1	,003	,029	,029	,029
	N of Valid Cases		21					
American Origin	Pearson Chi-Square		6,271[d]	1	,012	,060	,060	
	Continuity Correction	a	2,817	1	,093			
	Likelihood Ratio		4,505	1	,034	,060	,060	
	Fisher's Exact Test					,060	,060	
	Linear-by-Linear Association		6,069[e]	1	,014	,060	,060	,058
	N of Valid Cases		31					

a. Computed only for a 2x2 table

b. 3 cells (75,0%) have expected count less than 5. The minimum expected count is ,38.

c. The standardized statistic is 2,991.

d. 3 cells (75,0%) have expected count less than 5. The minimum expected count is ,48.

e. The standardized statistic is 2,463.

Table F. 56. Local Responsiveness of Management of Performance Appraisal * Subsidiary's Relationship with Competitors* Presence of Expatriates

Crosstab

Degree of Presence of Expatriates in the Subsidiary				Relationship with Competitors (REC2)		Total
				Extensive	Other	
Low Presence	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	17	2	19
			% within Relationship with Competitors (REC2)	89,5%	22,2%	67,9%
		Other	Count	2	7	9
			% within Relationship with Competitors (REC2)	10,5%	77,8%	32,1%
	Total		Count	19	9	28
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%
High Presence	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	5	4	9
			% within Relationship with Competitors (REC2)	62,5%	26,7%	39,1%
		Other	Count	3	11	14
			% within Relationship with Competitors (REC2)	37,5%	73,3%	60,9%
	Total		Count	8	15	23
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Degree of Presence of Expatriates in the		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Low Presence	Pearson Chi-Square	12,664[b]	1	,000	,001	,001	
	Continuity Correction [a]	9,768	1	,002			
	Likelihood Ratio	12,843	1	,000	,001	,001	
	Fisher's Exact Test				,001	,001	
	Linear-by-Linear Association	12,211[c]	1	,000	,001	,001	,001
	N of Valid Cases	28					
High Presence	Pearson Chi-Square	2,813[d]	1	,094	,179	,110	
	Continuity Correction [a]	1,509	1	,219			
	Likelihood Ratio	2,807	1	,094	,179	,110	
	Fisher's Exact Test				,179	,110	
	Linear-by-Linear Association	2,690[e]	1	,101	,179	,110	,094
	N of Valid Cases	23					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 2,89.

c. The standardized statistic is 3,494.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 3,13.

e. The standardized statistic is 1,640.

Table F. 57 Local Responsiveness of Management of Performance Appraisal * Subsidiary's Relationship with Competitors* Presence of Expatriates

Crosstab

Degree of Presence of Expatriates in the Subsidiary				Relationship with Competitors (REC2)		Total
				Extensive	Other	
Low Presence	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	17	2	19
			% within Relationship with Competitors (REC2)	89,5%	22,2%	67,9%
		Other	Count	2	7	9
			% within Relationship with Competitors (REC2)	10,5%	77,8%	32,1%
	Total		Count	19	9	28
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%
High Presence	Integration/ Responsiveness-Performance Appraisal Process (REC2)	Locally Responsive	Count	5	4	9
			% within Relationship with Competitors (REC2)	62,5%	26,7%	39,1%
		Other	Count	3	11	14
			% within Relationship with Competitors (REC2)	37,5%	73,3%	60,9%
	Total		Count	8	15	23
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Degree of Presence of Expatriates in the		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Low Presence	Pearson Chi-Square	12,664[b]	1	,000	,001	,001	
	Continuity Correction [a]	9,768	1	,002			
	Likelihood Ratio	12,843	1	,000	,001	,001	
	Fisher's Exact Test				,001	,001	
	Linear-by-Linear Association	12,211[c]	1	,000	,001	,001	,001
	N of Valid Cases	28					
High Presence	Pearson Chi-Square	2,813[d]	1	,094	,179	,110	
	Continuity Correction [a]	1,509	1	,219			
	Likelihood Ratio	2,807	1	,094	,179	,110	
	Fisher's Exact Test				,179	,110	
	Linear-by-Linear Association	2,690[e]	1	,101	,179	,110	,094
	N of Valid Cases	23					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 2,89.

c. The standardized statistic is 3,494.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 3,13.

e. The standardized statistic is 1,640.

Table F. 58 Local Responsiveness of Management of Performance Appraisal * Subsidiary's Relationship with Competitors* Presence of Expatriates

Crosstab

Degree of Presence of Expatriates in the Subsidiary				Relationship with Competitors (REC2)		
				Extensive	Other	Total
Low Presence	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	17	2	19
			% within Relationship with Competitors (REC2)	89,5%	22,2%	67,9%
		Other	Count	2	7	9
			% within Relationship with Competitors (REC2)	10,5%	77,8%	32,1%
	Total		Count	19	9	28
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%
High Presence	Integration/ Responsiveness- Performance Appraisal Process (REC2)	Locally Responsive	Count	5	4	9
			% within Relationship with Competitors (REC2)	62,5%	26,7%	39,1%
		Other	Count	3	11	14
			% within Relationship with Competitors (REC2)	37,5%	73,3%	60,9%
	Total		Count	8	15	23
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Degree of Presence of Expatriates in the		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Low Presence	Pearson Chi-Square	12,664[b]	1	,000	,001	,001	
	Continuity Correction [a]	9,768	1	,002			
	Likelihood Ratio	12,843	1	,000	,001	,001	
	Fisher's Exact Test				,001	,001	
	Linear-by-Linear Association	12,211[c]	1	,000	,001	,001	,001
	N of Valid Cases	28					
High Presence	Pearson Chi-Square	2,813[d]	1	,094	,179	,110	
	Continuity Correction [a]	1,509	1	,219			
	Likelihood Ratio	2,807	1	,094	,179	,110	
	Fisher's Exact Test				,179	,110	
	Linear-by-Linear Association	2,690[e]	1	,101	,179	,110	,094
	N of Valid Cases	23					

a. Computed only for a 2x2 table

b. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 2,89.

c. The standardized statistic is 3,494.

d. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 3,13.

e. The standardized statistic is 1,640.

Table F. 59. Local Responsiveness of Management of Career Planning * Subsidiary's Relationship with Competitors* Presence of Expatriates

Crosstab

Degree of Presence of Expatriates in the Subsidiary				Relationship with Competitors (REC2)		
				Extensive	Other	Total
Low Presence	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	17	4	21
			% within Relationship with Competitors (REC2)	89,5%	44,4%	75,0%
		Other	Count	2	5	7
			% within Relationship with Competitors (REC2)	10,5%	55,6%	25,0%
	Total		Count	19	9	28
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%
High Presence	Integration/ Responsiveness- Career Planning (REC2)	Locally Responsive	Count	4	4	8
			% within Relationship with Competitors (REC2)	50,0%	26,7%	34,8%
		Other	Count	4	11	15
			% within Relationship with Competitors (REC2)	50,0%	73,3%	65,2%
	Total		Count	8	15	23
			% within Relationship with Competitors (REC2)	100,0%	100,0%	100,0%

Chi-Square Tests

Degree of Presence of Expatriates in the		Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Low Presence	Pearson Chi-Square	6,604[b]	1	,010	,020	,020	
	Continuity Correction [a]	4,421	1	,035			
	Likelihood Ratio	6,339	1	,012	,062	,020	
	Fisher's Exact Test				,020	,020	
	Linear-by-Linear Association	6,368[c]	1	,012	,020	,020	,018
	N of Valid Cases	28					
High Presence	Pearson Chi-Square	1,252[d]	1	,263	,371	,253	
	Continuity Correction [a]	,435	1	,510			
	Likelihood Ratio	1,232	1	,267	,371	,253	
	Fisher's Exact Test				,371	,253	
	Linear-by-Linear Association	1,198[e]	1	,274	,371	,253	,195
	N of Valid Cases	23					

a. Computed only for a 2x2 table

b. 2 cells (50,0%) have expected count less than 5. The minimum expected count is 2,25.

c. The standardized statistic is 2,524.

d. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 2,78.

e. The standardized statistic is 1,094.

Curriculum Vitae

Gaye Özçelik was born in 1975 in İstanbul. In 1997, she received her BA degree in Psychology from Boğaziçi University, İstanbul. She received a professional diploma in Business Administration in 2001 from University of California, Berkeley. She received her Master degree in 2003 in Executive MBA from Işık University, İstanbul. She worked in both academic and professional business field. Professionally, she has had experience as an HR practitioner. She worked as a human resource consultant in Arthur Andersen, Istanbul from 1997 to 2000. In Danone, Turkey, she worked as a supervisor responsible from performance management and career planning functioning of the company. Academically, she worked at Isik University as an academic researcher and instructor. She tought in the areas of human resource management, and principles of management. She published journal articles, magazine articles in the area of human resource management. Her present research interests include international HRM in MNEs and its institutional and socio-cultural contexts, knowledge transfer within MNEs, cross-cultural management, integration of HRM and corporate strategy.

Publications

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[3] Özçelik, G. (2004, April) Rekabet Avantajı Yaratmada Stratejik Ortak Olarak İnsan Kaynakları Yönetiminin Rolü [The Role of Human Resource Management as a Strategic Partner in Creating Competitive Advantage], HR Dergi [HR Journal].