

**The Complex Exercise of Strategic Issue Selling: The impact of national culture on headquarters' attention to subsidiaries' proposals**

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### **Introdução**

An important contribution of subsidiaries of multinational corporations is identifying relevant ideas that connect their local reality to the benefit of the whole organization. However, such ideas may never gain the attention of headquarters if subsidiaries do not engage in purposeful strategic issues selling efforts. Besides testing the strategic effects of the conditions presented by Cavanagh et al. (2021) (corporate alignment and demonstration of financial success), we also examined the moderating effect of the headquarters' national cultural traits.

### **Problema de Pesquisa e Objetivo**

This study collected responses from 533 initiatives proposed by subsidiaries in 47 countries and headquarters in 29 countries. Under this backdrop, in this study we pursue the following research question to examine the impact of national culture on the attention that subsidiaries manage to gain from headquarters: Do the headquarters' cultural traits moderate the effect of issue selling tactics on headquarters' attention to strategic issues brought up by subsidiaries?

### **Fundamentação Teórica**

Conroy & Collings (2016) showed that subsidiaries with proactive behavior fear receiving negative attention, potentially leading to reprisals, including executive turnover. Cavanagh et al. (2021) demonstrated that there are two necessary conditions to gain positive attention: corporate alignment and demonstrating financial success. In this research, we contribute to the global strategic management literature by unpacking the subsidiary's strategy through issue selling theory (Dutton & Ashford, 1993), and the headquarters' cultural traits moderation.

### **Metodologia**

In this research, we collected 533 responses from subsidiaries worldwide (headquarters in 29 different countries and subsidiaries in 47 different countries), using structural equation modeling and then analyzing the moderation effects through marginal effects plots. The results of convergent and discriminant analysis are consistent, we conduct robustness test that show no effect of common method bias.

### **Análise dos Resultados**

The expected positive direct impacts of configuring the presentation of the strategic issue by highlighting corporate benefits (i.e., benefits for the whole, not just for the subsidiary) and emphasizing organizational consistency (as regards, values, practices, and strategic objectives of the parent company) were empirically corroborated. Also, the expected positive impact of work/social involvement was supported (similarly to the results obtained by Conroy & Collings, 2016). Three of the moderation effects was empirically corroborated at the marginal effects plots analysis, other three wasn't

### **Conclusão**

From a practical perspective, for the subsidiary, we confirm the role of strategy in issue selling to capture positive attention, which can increase the chances of success for the manager's initiative. For the headquarters, it is important to be aware of the perception of cultural traits as a natural bias, as the presentation of ideas is not necessarily negative, but cultural traits can bias some decisions.

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