Proposition of new ideas by multinational subsidiaries, how much can cultural dimensions at headquarters affect this relationship?

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Introdução

In this research we studied how multinational subsidiary managers does to influence organizational decision-making by drawing the attention of the headquarters to your ideas, despite the different cultural aspects between the headquarter and subsidiaries.

Problema de Pesquisa e Objetivo

Does the headquarters cultural dimensions moderate the effect of the packaging and the process of strategic issue selling purposed by the subsidiary of multinational companies?

Fundamentação Teórica

We examined whether cultural dimensions (of the headquarters home country) alter the effects of the issue selling strategy in its framing aspects or selling processes. We selected some specific dimensions from Project GLOBE (2004) that we believe would moderate the issue selling effects: performance orientation, uncertainty aversion, power distance, institutional collectivism, and within-group collectivism. These dimensions were indicated by Ling et al. (2005) as having a direct relation with the issue selling strategy.

Metodologia

In this research we used structural equation modeling with Smart PLS 3.0 software to test the moderation relation, controlling for common method bias. Data was collected via an online survey sent to the country managers of subsidiaries of multinational companies and responded by managers from 49 subsidiaries' countries and 27 headquarters' countries.

Análise dos Resultados

Considering the main cultural background aspects of the headquarters suggested by the international business literature (Uncertainty Avoidance, Performance orientation, Power Distance, Institutional Collectivism and In Group Collectivism), only uncertainty aversion has a significant positive moderation effect, increasing the attention gained the greater the consistency of values and norms presented. This demonstrates the importance of aligning with the headquarters values and norms in order to attract attention to a proposed new idea.

Conclusão

The results have a strong insight for managers of MNC, demonstrating the importance of using the issue selling strategy and mainly focusing as much as possible on aligning the consistency of values in a way that overcomes the possible aversion to uncertainty in the headquarters.

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