Index

Acer 49
advantage 3, 5, 12–14, 74–5, 119–20, 141, 149, 151
agency theory 10–12
Agrawal, S. 13
Aitken, L.S. 243
Albert, M.B. 171
Alchian, A.A. 163
Alfa Laval 287
Aliber, R.Z. 307
Allen, L. 74
Allison, P.D. 173
Almeida, P. 217
Ambos, B. 183
Amit, R. 163
ANCOVA test 265, 270–71, 273
Anderson, P. 184
Andersson, U. 22, 231, 232, 236, 239, 246
‘Balancing Subsidiary Influence in the Federative MNC:’ 3, 4, 15, 126, 128, 129, 130, 149, 153, 163, 254
Andrews, K.R. 9
Ansoff, I. 9
acquisition 269
Argote, L. 160, 234
Arora, A. 40
Arrow, K.J. 142
Asakawa, K. 246
Attewell, P. 216–17
Bacharach, S.B. 258
Baden Fuller, C. 2
Baliga, B.R. 149
Barner-Rasmussen, W. 21, 88, 102
Barney, J. 12–13, 295
Barthélemy, J. 148, 156
Bartlett, C.A., 35, 47, 54, 72, 94, 107, 237
Managing Across Borders: The Transnational Solution 2, 3, 9, 10, 89, 91, 93, 111, 165, 235
‘Matrix Management:’ 92, 93, 177, 186
Beer, S. 87
Benito, G.R.G. 22, 64, 139, 144, 255
Bhagat, R.S. 257
Bilkey, W.J. 288
‘Multinational subsidiary evolution:’ 85, 192, 217, 262, 264, 269–70
‘Strategy and management in MNC subsidiaries’ 133–4
Birnbaum, P.H. 255
Björkman, I. 96, 182, 186, 232, 290
Blanc, H. 215
Blazejewski, S. 97
Bollen, K.A. 194, 196
Bower, J.L. 9
brand owner 62–3
Bresman, H. 64, 243
Brown, S.L. 188
Buckley, P. 3, 20, 24–5, 38, 39, 75, 81, 299
‘Formal Analysis of Knowledge Contribution in Multinational Enterprises’ 213, 214–15, 308
Future of the Multinational Enterprise, The 60, 66, 67, 229, 306
‘Globalisation, economic geography and the strategy of multinational enterprises’ 88, 126, 133, 135
‘Perception and Measurement of Transaction Costs, The’ 146–7
Managing the contemporary multinational

Burrell, G. 102
business network theory 14–16, 125
HQ–subsidiary relationship 15–17
embeddedness 125–6
knowledge acquisition 127–31
managerial strata 131–3
outsourcing and 134–5
value chain 133–4
network perspective/approach 3–4, 85–9, 93–5
business relationships 3–4, 14–16
governance model 131–2
Buvik, A. 147, 152

Cantwell, J. 2, 4, 13, 14, 70, 163, 185
Carlson, S. 131, 287, 291
Casson, M. 62, 65, 66–7, 69, 72, 79
‘organisation and evolution of the multinational enterprise, The’ 80
Castells, M. 40
Caves, R.E. 296, 299
Cavusgil, S.T. 288

Cellular MNCs 46–7
Centres of Excellence 68, 119, 185, 211, 218, 236, 237–8, 242, 244–5, 247, 266
Emergence and Impact of MNC Centres of Excellence: The 163, 185, 186, 190, 192, 211, 238
see also subsidiary relationships with HQ
Chandler, A.D. 3, 5, 6–7, 8–9, 89, 109, 110, 130, 132
Chapman, M.C. 146–7
Chesbrough, H.W. 46
Child, J. 8
Christensen, C.R. 9
Cisco 49
Coase, R.H. 60, 140, 299, 306
Cockburn, I. 12
Cohen, W.M. 212, 214, 233, 234
consolidating MNCs 43–4
contingency theory 3, 8–10, 11, 89, 125
contract manufacturers (CMs) 62
control mechanisms 45, 87–95, 128–31
knowledge sourcing 231–48
development in subsidiaries 232–4
overview 245–8
sample and data method 239–43
transfer across MNC units 234–9
corporate embeddedness 96
knowledge sourcing/acquisition 13–14, 125–6, 127
corporate network 4–5, 9–10, 130, 191
Cox, D. 167
critical perspective of HQs 98–100
Crotty, J. 131–2
culture, role of 254–76
Cycleurope 46
Cyert, R.M. 283, 285, 306

Dahlman, C.J. 143
Dahlstrom, R. 145, 149
Darr, E. 160
David, P.A. 39
Deardorff, A. 79
decision making 5, 8, 11, 113, 115–16, 134, 148
centralization of subsidiaries’ authority 236–7, 242, 245, 246
in relation to Uppsala model 294, 296, 301, 306, 308–9
in the hypermodern MNC 44, 45, 47, 53–4
innovation transfer 182–3, 191
within global factory 65–6, 71–2, 79
Delany, E. 79
Dell 46
Demsetz, H. 6, 142, 155
design perspective of HQs 85–6, 89–92
Dess, G.G. 55
Dev, C.S. 13
Dewar, R.D. 247
Diamantopoulos, A. 194
Dicken, P. 40
Dijksterhuis, M.S. 39
Djelic, M.-L. 45, 50–51
Donaldson, G. 163
Dörrenbächer, C. 89, 99
Douma, S. 150
Doz, Y.L. 2, 36, 54, 88, 117, 160, 165
Drogendijk, R. 24
due diligence 64
Dulude, L.S. 2
Duncan, R.B. 38
Dunning, J.H. 151, 232
Dyer, J. 215
Earley, P.C. 268
Edwards, P. 3
Index

Egelhoff, W.G. 8, 10, 21, 60–61, 89, 109, 118, 121, 236
Eisenhardt, K.M. 12, 46, 184–5, 188, 189
Ellis, P.D. 287
embeddedness see corporate embeddedness; external embeddedness
Emery, F.E. 35, 37–8, 39, 54
Ensign, P. 2
entrepreneurship 66, 68, 72
see also management
environment 3–4, 9, 96
Epstein, G.A. 131
Erramilli, K.M. 13
Etemad, H. 2
Ettlie, J.E. 190
evolutionary theory 12–14, 51–2 organizational forms 49–51
external embeddedness 186, 231–4 knowledge transfer 234–9, 245–7 external networks 4–5, 38–40 see also global factory; outsourcing
Felín, T. 2
Fenner, A. 127
Ferlie, E. 87
Ferner, A. 3, 255, 258, 259, 261, 262
finance
financial markets 132
governance costs 138–52
in headquarters–subsidiary relationships 148–52
measurement issues 143–8
internal prices 69
role of, in global factory system 66
Fiole, C.M. 299
firm specific knowledge 286, 307
Florida, R. 233
focal firms 64–5
Ford, D. 215
foreign direct investment (FDI) 44, 138, 283, 284, 285–6, 288, 294, 296, 297–8 see also value creation
Fornell, C. 199
Forsgren, M. 1, 2, 4, 8, 88, 89, 91, 93, 125, 128, 170, 177, 184, 190, 215, 227, 242
‘Development of MNC centres of excellence’ 226, 234, 235, 238
‘Division headquarters go abroad:’ 94, 128, 129, 215
Managing the Embedded
Multinational: 15, 16–17, 53, 85, 94–5, 126, 131, 164, 184, 246, 276, 287, 292, 295, 296
on Uppsala model 283–4, 285–6, 289–90, 293–4, 297–9, 302–3
Foss, N. 6, 9, 19, 85, 231, 235, 248
‘Frecknall’ example 67, 75–9
Frost, T. S. 2, 108, 167, 185, 190, 215, 217, 236, 238, 247
Galbraith, J.R. 107, 236
Gammelgaard, J. 23, 215
Garcia, R. 188
Garnier, G.H. 221
Geisser, S. 200–201
Ghauri, P. 21–2, 125
Ghoshal, S. 89, 95–6, 100, 125, 185, 188, 202, 215, 237
Managing Across Borders: The Transnational Solution, 2, 3, 9, 10, 89, 91, 93, 111, 165, 235
‘multinational corporation as an inter-organizational network, The’ 160, 177
global factory 60–61 components of 61–2
flexibility 68–75 costs 72–3
firm-specific competitive advantage and 74–5 interaction of firm and location flexibility 73–4
internal organization 71–2
networks and joint ventures 68–71
headquarters
as spatial market 79–80
role of 80–81, 126
information structure of 62–3
interfaces 63–4
competence, 64
ownership and location 65–6
power of 66–8
contracting costs and entrepreneurship 68
stocks and flows in 64–5
Managing the contemporary multinational
strategic change 75–9
control 77–8
dependence 76–7
leadership 78–9
localization 77
see also external networks
globalization 40–41, 50–51
GLOBE study 268, 270–71, 274
Goodall, K. 15, 16
Göransson family 286–7, 289
governance costs 138–9
definition of 142–3
relationship between kinds of 152–3
in headquarters–subsidiary relationships 148–52
measurement issues 143–8
Govindarajan, V. 3
Granovetter, M. 233
Gulati, R. 233, 246
Gupta, A.K. 3, 163, 189, 192, 234
Hair, J.F. 224
Håkanson, L. 36, 64, 211, 231, 235
Håkansson, H. 4, 14
Hamel, G. 233
Hamermesh, R.G. 9
Hannan, M.T. 48
Harzing, A.-W. 148, 149, 151, 152
Hatami, F. 68
Hedlund, G. 2, 18, 93–4
‘hypermorden MNC: a heterarchy?,
The 2, 20, 33–4, 107–8, 149, 237
in its historical context 35–41, 42, 44, 49–50, 51
overview of 53–4
Heidi, J.B. 150
Henderson, R. 12
Hennart, J.F. 25, 139, 147, 148, 151, 154
Hesterly, W.S. 2
heterarchy
hypermorden MNCs 33–5
emerging futures of 40–41
evolution of, general points 49–51
externalization of resources and activities 38–40
four subtypes of 41–9
and ideal and hybrid types 48–9
cellular MNCs 46–7
consolidating MNCs 43–4
instant global network MNCs 47–8
pipeline MNCs 44–6
origins and limitations 36–8
overview 51–4
see also hierarchical structure
hierarchical structure 108–9
administrative accountability 109–10
role of HQs 110–11
economies of scale and scope 114–15
innovation 115–17
tight coupling 111–14
see also heterarchy
Hill, C.W.L. 150
Hofstede, G. 255, 258–9, 262, 263, 264, 268
Holm, U. 2, 3, 15, 17, 24, 95, 232
Emergence and Impact of MNC
Centres of Excellence: The 163,
185, 186, 190, 211, 238
Headquarters knowledge of
subsidiary network contexts in
multinational corporations 126,
127, 129, 131
Holmström, C. 23
horizontal specialization 117–21
House, R.J. 255–6, 268, 280
headquarters (HQ) 1–2
control mechanisms 45, 87–95, 128–31
knowledge sourcing 231–48
development in subsidiaries 232–4
overview 245–8
sample and data method 239–43
transfer across MNC units 234–9
involvement
impact of innovation 189–91
innovation development 191–2
innovation novelty factor 187–9
key perspectives 85–7
critical perspective 98–100
design perspective 89–92
institutional perspective 95–8
Index

network perspective 93–5
research literature and its effects
87–8, 100–102
research on, overview 1–2
role of
administrative accountability
109–10
agency theory 10–12
business network theory 14–16
centralized and decentralized
110–17
competitive environments and
strategies 106–7
contingency theory 8–10
in global factory 79–81
network organization and 107–8
overviews 17–19, 120–21
resource based and evolutionary
theory 12–14
vertical specialization 108–9
see also multinational corporations
(MNCs); subsidiary
relationships with headquarters
(HQ)
HQ see headquarters (HQ)
Hymer, S. 25, 66, 286, 292, 293, 295–6,
297–8, 299, 307
hypermodern MNCs see heterarchy
identification 64
IKEA 49
incentives 11, 133, 160, 183, 189, 192
information technology (IT) 71
knowledge acquisition and 133
personal computing industry 80
see also technology development
innovation transfer 182–205
headquarters’ involvement in
development 191–2
impact of innovation 189–91
novelty factor 187–9
overview 202–4
research into 182–3
data analysis method 197
implications drawn 204–5
measures 194–7
questionnaire and field research
193–4
results 197–202
sample method 193
theoretical background to
development 184–5
transfer 185–7
instant global network MNCs 47–8
internationalization 38–9
see also Uppsala model
intra-organizational design 3
Ispat 49
Jackson, G. 95
Jarillo, J. 3
Jarvis, C.B. 194, 196
Jemison, D.B. 151
Jensen, M.C. 143, 150
Johanson, J. 4, 14, 15, 20, 24–5, 36,
91, 93
on Uppsala model 284–5, 286–8,
290–93, 294–7, 299–302, 303
joint ventures 68–71
Joskow, P.L. 145
Kalling, T. 235–6
Khanna, N. 74
Kim, W.C. 258, 259, 262, 263
Kindelberger, Ch. 25
Kirzner, I.M. 15
Knight, F. 68, 151
knowledge development 232–5, 242
and knowledge transfer 242, 246–7
see also Uppsala model
knowledge sourcing/acquisition 3, 8
business network perspective 126–31
Centres of Excellence 68, 211, 218,
236, 237–8, 242, 244–5, 247
development related 161, 185
evolutionary theory and 13–14
headquarters’ control mechanisms
and 231–48
development in subsidiaries 232–4
overview 245–8
sample and data method 239–43
results 243–5
variables 241–3
transfer across MNC units 234–9
centralization 236–7
external embeddedness 234–5
subsidiaries’ influence 238–9
subsidiaries’ power 237–8
internal versus external methods 23,
211–27
Managing the contemporary multinational

as complements 213–14
as substitutes 214–16
and balance between 216–17
headquarters impact on 217–18, 220
managerial implications 226–7
measures 219–20
control variables 220–22
results 222–6
sample and date method 218–19

see also knowledge transfer
knowledge transfer 3, 14, 182, 186, 211, 215
external embeddedness 234–9, 245–7
into target countries 76–7
research into 231–2

see also knowledge sourcing/acquisition
knowledge-based view 7, 12
Kogut, B. 12, 13, 14, 18, 25, 40, 73, 93–4, 98, 164, 166, 170, 214, 215
Kostova, T. 25, 91, 96, 97–8, 226, 260–61, 262, 275
Kotter, J. 73
Krackhardt, D. 15, 128
Kristensen, P.H. 85, 99
Lamont, O. 161
Larsson, R. 213
Laughlin, R.C. 42
Lawrence, P.R. 3, 8
Levitt, B. 12
Lindell, M.K. 193
localization 77–9
location 60, 65–6, 67, 80–81
Lorch, J.W. 3, 8
Lord, F.M. 143
Lorenzoni, G. 2
lower management see management
Lucas, L.M. 257
Luo, Y. 217

Madhok, A. 234
Mahnke, V. 149, 183
Malmberg, A. 17
management
joint ventures, effect on 69–70
knowledge sourcing and 226–7
MNC research, effect on 100
established design and practice 35–6
subsidiary functions 76–7
from dependence to control 77–9
‘puppet on a string’ imagery 131–3
trust issues 73, 140–41
value creation 6–7
see also entrepreneurship; power distance
manufacture and production 61–2, 73–4
fragmentation, role of HQ 79–80
March, J. 12
Markides, C. 5, 18, 91
Marshall, A. 70
Martin, J. 12
Martinez, J.I. 3, 235, 236
Mason, C.H. 243
Masten, S.E. 138, 141, 145–6, 147, 155
Mathew, J.A. 20, 47, 53
Mathieson, K. 199
Mattsson, L.G. 4, 14
McCarthy, D. 19
Meyer, J.W. 256
middle management see management
Milgrom, P. 111–12, 114, 115, 142
Mintzberg, H. 9, 19
MNEs see multinational corporations (MNCs)
Mohan, A. 97
monitoring 71
Moore, K. 236, 238
Moran, P. 153
Morgan, G. 87, 89, 92, 98, 99, 101–2, 133
Mudambi, R. 127, 162, 163, 217
multinational corporations (MNCs) 1–5, 211
see also headquarters (HQ); heterarchy; hierarchical structures
multinational corporations’ structure see heterarchy; hierarchical structures
national culture, role of see power distance
negotiation 64
Nelson, R.R. 12, 75, 184
network approach see business network theory
network organization 21, 106–10, 111–12
network perspective see business network theory
network structure 41, 43
cellular MNCs 46–7
contemporary MNCs
environments and strategies 106–7
horizontal specialization 117–21
structures 107–8
evolutionary theory 49–51
information within 8, 71–2
instant global network MNCs 47–8
networks see business network theory;
corporate network; external network; network organization;
network structure; subsidiary network
Nike 46
Nobel, R. 36, 182–3, 185, 235
Nohria, N. 4, 11, 18, 125, 161, 211, 276
Nolan, P. 67, 133, 134
North, D.C. 142
Nunnally, J.C. 143, 171
Nygaard, A. 143
O’Donnell, S.W. 10–12
offshoring see outsourcing
OLS regression technique 222–6
organizational form see global factory;
heterarchy; hierarchical structures;
network organization
original equipment manufacturers (OEMs) 61–2
Osborne, R.N. 38
Osterloh, M. 186
outsourcing 38–9, 60–64
growth of 134–5
intellectual copyright and 80
see also external networks
Oviatt, B.M. 41, 51
ownership
and spatial distribution strategies 65–6, 67, 80–81
control without 67
of resources and activities 42–3, 48–9
P&G 49
Paik, Y. 165
Pedersen, T. 2, 23, 68, 302
Penrose, Edith 9, 306
Perlmutter, H.V. 35
personal computing industry 80
Philips 45
Pilling, B.K. 147
pipeline MNCs 44–6
Pisano, G. 12
Podsakoff, P.M. 241
Poppo, L. 87, 89, 92
Porter, M. 3, 9, 70, 294
Powell, W. 160
power distance 257–61
acceptance of 260, 265
analysis of effect of 270–74
sensitivity analysis 274
data methods 265–7
control variables 268–70
dependent variable 267–8
independent variable 268
overview 275–6
power conflict 260, 262–3
power confusion 260, 263–5
power differences agreement 259–62
power equality agreement 260, 263, 265
see also management
Prahalad, C.K. 36, 54, 93, 160
pre-screening 64
production see manufacture and production
Quinn, J.B. 192
Rangan, S. 73
Regnér, P. 16
research and development (R&D) 62, 70
resource-based theory 12–14
resource-based view 2, 163, 306
role of headquarters and 12–14
business network theory and 14–16
resource-dependence 15
resources and activities
allocation 5
externalization 38–40, 51
pipeline MNCs and 44–5
Managing the contemporary multinational

ownership 42–3, 48–9
reallocation by means of
performance 162–5, 169
Reuber, A.R. 291
Rialp, A. 47
Roberts, J. 15, 16
Rosenzweig, P.M. 38, 97
Roth, K. 10, 96, 221, 240, 242, 254
Rugman, A.M. 134, 232
Sanchez, R. 41
Santangelo, G. 2
Santos, J. 2
Scharfstein, D. 162, 164
Schlegelmilch, B.B. 238
Schmidt, S. 233
Schwartz, S.H. 255
Securitas 44
Shane, S. 257, 262, 264
Sharma, D. 3
‘sheer ignorance’ 15, 16–17, 19
Shenkar, O. 85, 255, 256, 275
Shuen, A. 12
Simon, H.A. 139, 140
Simon, B.L. 189
Sincovics, R. 130
Sloane, A. 5
Smith, P.B. 268
Snejota, I. 4, 14
Sõlvell, Ö. 17
spatial distribution strategies 65–6, 67, 79–81
Stein, H. 162, 164
stocks and flows in global factory 64–5
Stone, M. 200–201
Stone–Geisser Q2 statistic 200–201
Stopford, J.M. 8, 25, 85, 89
Stundenmund, A. 172
Sturgeon, T.J. 133
subsidiary relationship with HQ 2–5
‘Frecknall’ example of strategic change 75–9
governance costs 138–9, 148–52
knowledge sourcing 23, 211–27
as complements 213–14
as substitutes 214–16
balance between 216–17
headquarters’ impact on 217–18, 220
managerial implications 226–7
measures 219–20
control variables 220–22
results 222–6
sample and date method 218–19
knowledge transfer 3
across units 235–9
external embeddedness of 234–5
knowledge development 232–4
research methods 240–43
results 243–5
power distance 257–61
age of subsidiary 269
acquisition 269
competence development 267–8, 272–4
data collection 266–7
external market factors 270
influence of other units 269
influence of subsidiary 270
overview 275–6
power conflict 260, 262–3
power confusion 260, 263–5
power differences agreement 259–62
power equality agreement 260, 263, 265
size of subsidiary 268
societal practices 268
value-added activities 269
technical development 160–78
estimation outcomes 171–6
headquarters value-adding 162–4
resources and performance 164–5
variables 168–71
theories in
agency theory 10–12
business network theory 3, 15–17, 125–6, 127–134
critical perspective 98–100
design perspective 89–95
institutional perspective 97–8
network perspective 93–5
see also Centres of Excellence; headquarters (HQ)
sub-unit competence 161, 182, 185–7, 189–92, 203, 267–8, 269, 272–4
sub-unit level 108–10, 112–18, 119, 161, 165–6, 185
subsidiary network 3, 127, 128–9, 134, 135
Sundram, A. 237, 246
Swedish MNCs 36–7, 38
see also Uppsala model
Szulanski, G. 113, 186, 234, 235

technology development 160–78
estimation outcomes 171–2
to transfer initiation time 172–6
headquarters’ role of value-adding 162–4
overview 176–8
research data and methods 165–8
covariates 169
dependent variables 168–9
resources and performance 164–5
see also information technology
Teece, D. 12
Tenenhaus, M. 202
Thilenius, P. 15
Thompson, J.D. 8, 300
Tidd, J. 184
Tomassen, S. 22, 152
Trajtenberg, M. 171
transaction cost economics (TCE) 68, 139–45, 150, 154
framework 140–42
‘Transnational solution’ 9–10
Trent, R.J. 214
Trigeorgis, L. 70
Trist, E.L. 35, 37–8, 39, 54
Trompenaars, F. 263
Tsai, W. 3, 186, 238, 243
Tung, R.L. 38, 51
Tushman, M.L. 238
Tyre, M. 170, 202

unit level 119, 185
units see sub-units
Uppsala model 93, 283–303
commitment 309
decision making 308–9
dynamic and equilibrium 305–6
firm-specific knowledge 307
network structures 307
role of the market 308

Theory of the Growth of the Firm
(Penrose) 306
see also internationalization;
knowledge development;
Swedish MNCs
Usher, J.M. 44
value creation 5–7
and disintegration 133–4
subsidiary activities 269
technology development context 162–4
see also foreign direct investment (FDI)
Van den Bosch, F.A.J. 214
Van Oudenhoven, J.P. 256
vertical specialization 109
von Hippel, E. 186, 187, 213, 231
Walker, G. 142
Welch, C. 21
Wells, L.T. 25
Werts, C. 199
West, J. 48
Westney, E. 25, 96–7, 275
White, R.E. 2
Wilkins, M. 36
Williamson, O.E. 5, 40, 55, 112
Economic Institutions of Capitalism,
The: 142–3, 144, 145–6, 150
Markets and Hierarchies: 109, 111, 141
Williamson, P. 2, 5
Wilson, J. 62
Winter, S. 75
Wong, G.Y.Y. 255, 264
Woolcock, M. 211, 215
Wright, R.W. 52
Wu, S.-Y. 75
Yamin, M. 21–2, 129, 130
Yates, J. 39
Zaheer, S. 25, 41
Zahra, S.A. 242, 243
Zander, U. 13, 14, 18, 20, 25, 164, 166,
170, 184, 214
Zollo, M. 12