

DIFFERENT SUBCULTURES TENSIONS IN A MULTINATIONAL CORPORATION

Maria ALVIM

*School of Economics and Management of the University of Porto; INESC-TEC
Rua Dr. Roberto Frias, 4200-464 Porto, Portugal
mariaalvimm9@gmail.com*

Raquel MENESES

*School of Economics and Management of the University of Porto; INESC-TEC
Rua Dr. Roberto Frias, 4200-464 Porto, Portugal
raquelm@fep.up.pt*

Abstract. *As the future tends to become increasingly international and globalized, and with the growth of multicultural teams, the importance of efficiently managing multinational corporations grows, accompanying the evolution of multicultural work and remote international teams. Understanding and awareness of cultural differences have evolved in the last decades, with important contributions from authors defining cultural dimensions and studying cultural contexts across countries, providing a broad view of existing asymmetries and creating a starting point for cultural integration. In this study, an action-research methodology is followed, resorting to exploratory interviews to diagnose the environment of a multinational corporation. This multinational corporation is Portuguese and operates in 10 countries with very diverse cultures. Thus, it is a good example to be analyzed. After identifying and analyzing tension points, suggestions for improved international management practices are presented to refine headquarters-subsidiary relations, multicultural communication, and international team functioning. Cultural differences among units and centralization are recognized and shown as the main sources of the called tension points, especially between culturally distant geographies that appear to have different ways of working and communicating. Management solutions can mitigate these tensions and contribute to a better work environment in the company, as well as leveraging some value added by appropriate management practices and multiculturalism. This study contributes to the field by providing customized solutions for the given organization, which may be adapted to the context of other companies and guide authors to conduct these kinds of analyses in the future.*

Keywords: *centralization; cultural differences; international management; multicultural integration; multinational corporation*

Introduction

The focal objective of this investigation is to make a diagnosis and present a plan to integrate the different subcultures existing in a multinational corporation (MNC). To do so, we collected information regarding the cultural differences within the organization and the tension points created by them. Then, we analyzed how these may be mitigated, while taking advantage of the benefits created by cultural diversity. This results in suggested actions for MNCs which are struggling with the same issues resulting from worldwide multinational teams.

The main topics of investigation can be assimilated within the scope of the Cross-Cultural Management (CCM) study, a field that analyses organizational behavior among several countries and cultures, probing to understand and, thus, improve the interaction amid numerous internal and external agents, from different backgrounds and cultures, in an MNC (Adler & Gunderson, 2008).

This research tries to understand and examine the cultural context (national and organizational) of the numerous subsidiary units of the same MNC. It proposes a way to integrate its differences and allow the enterprise to benefit from its diversity. Results may be applied in the companies' scope to improve relations between the headquarters and subsidiaries, international teams functioning, and general international management practices and communication.

Ten interviews were done and codified to better understand the MNC's context. Relation to time, ways of building trust, and the importance of words were the most relevant pain points. We propose to integrate the added value that these differences could bring and some solutions to mitigate the tensions.

Literature review

According to Hofstede et al. (2010), culture is something individuals learn, that originates from the social environment. It is a collective part of one's *mental programming*, and specific to the groups to which someone belongs, either geographical, field, or organizational (Hofstede et al., 2010; Johnson et al., 2017).

Schein (2004, p. 6) describes organizational culture as "basic assumptions and beliefs that are shared by members of an organization, that operate unconsciously and define in a basic taken-for-granted fashion an organization's view of itself and its environment".

MNCs are expected to have different organizational subcultures among their subsidiaries, located in different geographies and cultural contexts, and diverging in cultural values and characteristics (Johnson et al., 2017; Morgulis-Yakushev et al., 2018).

Meyer (2022) defined eight scales to classify national culture. For this study, six will be considered – *high vs low-context communication*, *egalitarian vs hierarchical leading*, *consensual vs top-down decision*, *task vs relationship-based trust*, *confrontational vs non-confrontational disagreement*, and *linear vs flexible-time scheduling* (Meyer, 2022). **Figure 2** (Meyer, 2022) shows the dimension scores for a selected group of countries, displaying Germany as an outlier, with highly different values in dimensions such as *Low vs high-context communication*, *task vs relationship-based trust*, and *linear vs flexible-time scheduling* (Meyer, 2022). Morocco differs from the Latin European countries, although less than Germany (Franco & Meneses, 2021; House et al., 2004; Meyer, 2022).

Because of this, and in light of the increasing globalization, it is important to understand how to manage these differences to benefit from them and enhance the competitive advantage created by this unique set of subcultures (Stahl et al., 2016).

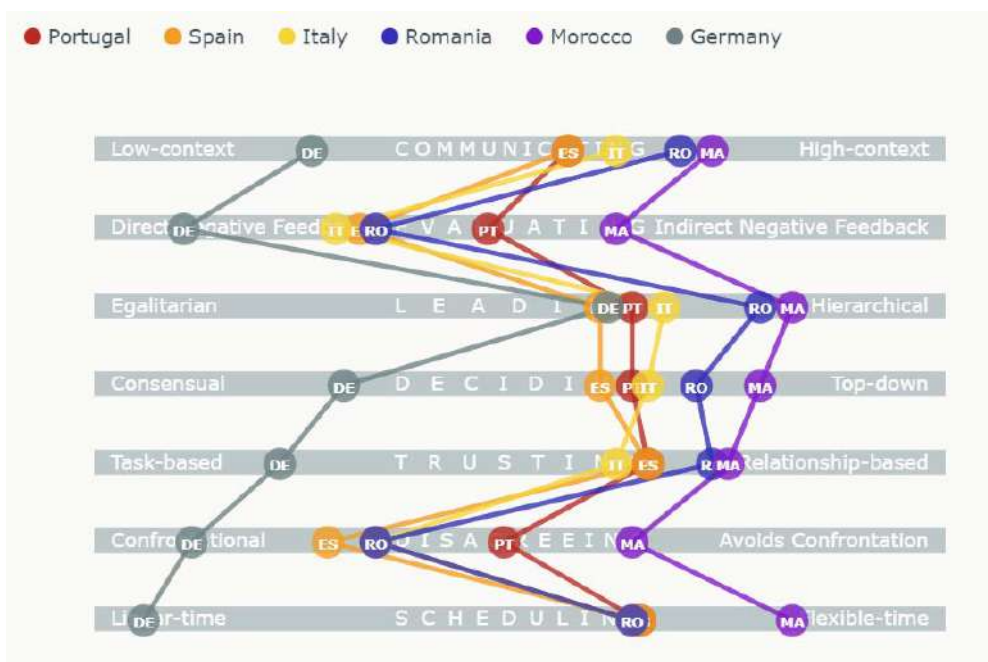


Figure 2. Culture map for Erin Meyer’s dimensions of culture (Meyer, 2022)

Usually, international business theories and approaches consider cultural differences as negative and imply the best scenario to happen when these differences among units are the fewest possible (Morgulis-Yakushev et al., 2018; Stahl et al., 2016). However, other studies show the benefits of cultural differences in knowledge creation and transfer, control and integration, creativity, and response flexibility (Beugelsdijk et al., 2018; Cox & Blake, 1991; Lopez-Saez et al., 2021).

Methodology

Research context

Company X is an MNC from Portugal with experience worldwide and currently operates in many countries throughout Europe, North Africa, and Latin America (Latin and Germanic Europe and North Africa will be considered for this study). However, it lacks some structure in international management practices and may benefit from a shift.

This study was conducted following an action-research methodology, a qualitative methodology consisting of three activities: (i) problem diagnosis, (ii) action plan design, and (iii) intervention and reflective learning. It involves testing a theory, in practice, obtaining feedback, and trying again with new contributions to the theory (Avison et al., 1999). However, this study reflects only two steps, (i) diagnosis and (ii) action advice.

In the diagnosis stage, an exploratory investigation was conducted to collect information regarding various aspects of the organization. Organizational culture, including Headquarters (HQ)-subsidiary relations and international management practices, was

analyzed and the cultural differences among units were investigated. From this, tension points were identified.

Qualitative research was conducted in the form of semi-structured interviews (**Table 1**), to understand organizational structures and functioning, cultural differences among units, and how these are perceived by Company X employees, identifying tension points.

The first interviewees were chosen based on convenience sampling (Sekaran & Bougie, 2016). From there, each respondent proposes who to interview next (Claasen and Roloff (2012)). Saturation was reached with ten interviews.

Table 1. Respondents' characterization

Respondent	Business Unit	Role	Nationality/place of work	Main geographies referred
A	a	Brand & Services Communication Manager	Portuguese/PT	N/A
B	b	Business development & client care EU	Portuguese/GE	GE, PT
C	c	Executive director	Portuguese/PT	GE
D	d	Head of Iberia (d)	Portuguese/SP	SP
E	a	Treasury Manager EU & NA	Romanian/PT	N/A
F	a	Head of Marketing IT, GR & RO	Italian/IT	GE, PT
G	c	Head of Legal EU & NA	Romanian/RO	NA
H	b	Business develop. & client care NA	Portuguese/NA	NA
I	a	HR country coordinator IT & RO	Italian/IT	PT
J	e	Managing director GE	Swiss- Portuguese/GE	GE, PT

Note: PT = Portugal; EU = Europe; N/A = not applicable; GE = Germany; SP = Spain; NA = North Africa; IT = Italy; GR = Greece; RO = Romania.

Data analysis

After conducting and transcribing the interviews followed the data analysis. Using the software NVivo, the transcripts were coded to facilitate the subsequent data assessment (**Table 2**). This provided an overview of the respondents' perception, and cross-analysis with cases (e.g., Geography referred, BU, place of work) allowed to understand which countries are more culturally distant.

After coding, an axial analysis was performed to understand the connections and links among the defined categories and the context of these linkages (Kendall, 1999; Scott & Medaugh, 2017). This included the creation of a summary table (**Table 3**).

Results and discussions

The results show an evident prevalence of notable cultural differences among international units over those not notable (see **Table 2**), as well as a clear perception of the centralization of Company X. As expected, the most culturally distant countries according to respondents (see **Table 3**), are the ones featured in distant cultural groups, as is the case of Germany (Germanic Europe vs Latin Europe) and the North Africa countries (Middle East vs Latin Europe) (House et al., 2004; Meyer, 2022).

Nonetheless, some unexpected results also emerged, as cultural differences that cannot be linked to any of the considered cultural dimensions arose (Meyer, 2022), as is the case of the Importance of words, Control, and procedures (related to *uncertainty avoidance*, as defined by House et al. (2004)), and Gender inequality (associated with *gender egalitarianism*, as defined by House et al. (2004)) with significant impact in business.

Table 2. Codes from NVivo

Code	Respondents	References
Cultural differences		
Not notable	6	13
Notable	10	73
Time relation	5	12
Control & procedures	4	7
Relationship vs task	4	7
High vs low context	2	4
Importance of word	2	6
Gender inequality	2	4
...		

Table 3. Cultural differences per geography

	Ger many	I taly	Port ugal	Rom ania	S pain	Nor th Africa	T otal
Assertiveness	1					1	3
Control & procedures	4		3	1		1	9
Formality	2	1	3		1	1	8
Gender inequality							3
High vs low context	4		2	2		1	9
Importance of word							6
Language	6		2		3		11
Negotiation							3
Others	2	1	2	2	1		9
Relationship vs task	5	2	3		1	2	13
Time relation	4	1	3			1	9
Total	26	5	17	5	6	23	

Organizational culture

Management practices were discussed throughout the interviews, with respondents stating what is done and what could be done differently.

Centralization of Company X generates tension. Top management is made up exclusively of Portuguese and most technical jobs (e.g., architects, engineers). This way, the HQ decides over most subsidiary-related matters, which may result in a lower local response capability, as markets differ in characteristics and consumer preferences (Gates & Egelhoff, 1986; Lunnan et al., 2019; Sageder & Feldbauer-Durstmüller, 2019). Foreigners are left behind in decision-making, damaging the feeling of belonging of subsidiary workers, and overlooking the importance of diversity, acknowledged by the workers (Beugelsdijk et al., 2018; Cox & Blake, 1991; Lopez-Saez et al., 2021). This attitude resembles in-group favoritism, as Portuguese business practices tend to be replicated in other markets, which can be associated with ethnocentrism (Hammond & Axelrod, 2006). Such situations “generate frustration and aversion to a central decision” (E), causing tensions between the HQ and subsidiaries.

Company X is very centralized and suffers because it is not agile. (...) There always has to be some centralization, but not this much. (A)

I think Company X says [the subsidiaries] are autonomous units that add value, but, in practice, the temptation to replicate the Portuguese model is very high. (...) You must hear in Company X: "in Portugal, we do it like this". (E)

These practices go against *reverse knowledge transfer* (Kostova et al., 2016), as they destroy the space for dialogue and creation/transfer of knowledge among different subsidiaries and geographies, which could benefit from diversity (Beugelsdijk et al., 2018).

The level of control exercised over subsidiaries also creates tension, as there are procedures to follow, regular reporting, organization-wide goals and strategy, and subsidiary budgeting, examples of *output* and *process control* (Sageder & Feldbauer-Durstmüller, 2019). The administrative workload can get excessive, generating tension in some teams.

We are overloaded with a lot of small stuff that is not adding value – administrative things, which, in some cases, we are able to externalize, for support on payroll, legal advice, brokers for insurance, and things like that. But still, locally we have a lot of administrative practices where we are losing a lot of time. Support on this would be very appreciated, we already tried several times to have additional resources, but we didn't make it. (I)

On the other hand, a valuable practice regards global HR management, as Company X practices show effort on using locals in foreign teams, as expatriate management is used reasonably. Portuguese, locals, or third-country foreigners may be chosen to be responsible for a certain region. Expatriate managers are mostly used in situations in which cultural differences, risk, and uncertainty are high (Colakoglu & Caligiuri, 2008), as is the case of North Africa (Middle East vs Latin Europe cultural differences (House et al., 2004; Meyer, 2022)). Here, expatriates benefit the organization, transferring from the HQ "important processes that should not be altered" and "the ways in which the organization works" (C). Although the head is Portuguese, other relevant roles are offered to locals, as is the case of the operations director and shopping center workers, as literature recommends (Colakoglu & Caligiuri, 2008; Mezas, 2002; Muellner et al., 2017). However, as using expatriates may also bring liabilities (Colakoglu & Caligiuri, 2008; Mezas, 2002; Muellner et al., 2017), this is not made in every culturally distant geography. In Germany, leaders are locals or long-term residents. The country has specific characteristics that would not facilitate the acceptance of expatriate managers (*consensual decision* and low *power distance* (House et al., 2004; Meyer, 2022), demanding speaking in German, etc.).

National Culture

Cultural differences generate asymmetries in working, communicating, and dealing with power within MNCs, creating tensions in multicultural environments. This happens mostly among culturally distant countries, as in Latin vs Germanic Europe (House et al., 2004; Meyer, 2022).

In Germanic Europe, there is a high level of *confrontation* and *linear-time scheduling* when compared to Latin Europe (House et al., 2004; Meyer, 2022), as well as a strict following of rules and procedures, assimilated to the high levels of *uncertainty*

avoidance, as defined by House et al. (2004). The latter generates friction, as the Portuguese perceive Germans as “a lot less flexible” (A), and as “unable to be creative and find solutions on their own, (...) slower when dealing with problems or difficulties” (B). Likewise, there exists tension created by the friction between German *linear-time* and Latin European *flexible-time scheduling*, especially in meetings, as one prefers sticking to the schedule, having no interruptions, and following an organized structure, while the other prioritizes fluidity, changing tasks as opportunities arrive and adaptability (House et al., 2004; Meyer, 2022). Adding, the *task vs relationship-based trust* (i.e., trust and relationships being built over business-related activities or over the informal conversation) also generates differences in meetings, as Latin Europeans appreciate and engage in small talk, while Germans can become agitated if they don’t go straight to the business topics (House et al., 2004; Meyer, 2022). Aggressive communication is also a tension source, as Latin cultures may misinterpret German assertiveness (House et al., 2004; Meyer, 2022). *Low-context communication* also generates tensions, as this culture tends not to read between the lines, thus needing explicit instructions in procedures and recommendations, contrary to Latin European *high-context* in which the “expectation is that someone tells us more or less what we need to do, and people start doing it and expand its meaning, even if it’s not quite what was intended” (E) (House et al., 2004; Meyer, 2022).

Conversely, time relation is also a problem in the Middle East, as they have an even more *flexible-time* relationship than Latin Europeans (House et al., 2004; Meyer, 2022), generating tension, as, for them, “time is just flowing around” (G). Meetings are often interrupted for praying rituals or changed from one day to another, making interaction and work harder with this culture.

In the European world, you have never seen someone interrupting a meeting for religious purposes. [In North Africa] there are praying rituals with specific schedules, (...) their phone rings and they interrupt what they are doing to pray.
(H)

North African countries tend to negotiate every aspect of the business. Besides making deals a lot harder, it delays transactions even further. There are also problems related to the low level of gender equality, reflected in the low scores of *gender egalitarianism* in the Middle East (House et al., 2004), as they “have difficulties accepting a woman as a boss” (G). This creates great tension for the Head of Legal, as she worked with lawyers from North Africa who did not feel comfortable being overseen by her and got annoyed at reviews of their work. However, the importance of words is the biggest tension in the cultural differences between Latin Europe and the Middle East (House et al., 2004). In North Africa, agreements and contracts may often be revoked and promises are unimportant, creating great problems in business agreements and uncertainty. This forced Company X to use a different approach in these countries, and always be alert to possible disappointments. Although most problems reported are external to the organization (i.e., in interactions with clients), these show the company’s reality and the local culture, which reflects itself in the day-to-day negotiation and practices within the company.

I had dealt with price variations of 30, 40, or 50% below the suggested price; (...) then negotiation goes from price to other variables and factors. (H)

We had a strange situation at the time when I was revising his work on a contract (...) and he got really annoyed, saying “I hope you do not pretend to know better

French than me". I am not pretending, it is my job to revise this; it was a bit strange because he was really out of place, he was acting in an inappropriate manner because he was offended by a woman revising and supervising something he did. (G)

However, cultural differences and multiculturalism are valuable for the company, and the respondents consider them a source of motivation and satisfaction in their day-to-day work lives. Multiculturalism benefits business, as diversity in nationality and background, equals diversity in point of view and skills (Cox & Blake, 1991), and it also improves workers' satisfaction.

For me, it's part of the employee value proposition. One of the things I enjoy most about working in Company X is that now I am meeting with a Portuguese, later I will be with a Spanish, and at the end of the day with an Italian and a German. It motivates me deeply. (A)

Cultural differences that originate tensions may also be perceived positively. For instance, the strict following of rules and procedures makes Germans trustworthy and consistent, easing the need to control their work and progress. Similarly, their *flexible-time* relationship (Meyer, 2022) may be linked to efficiency. Additionally, these different characteristics of Germans and Portuguese create a set of heterogenic aptitudes when the two nationalities work together – Germans provide organization and planning, while Portuguese are flexible and have a better ability to respond to unexpected occurrences (Cox & Blake, 1991; House et al., 2004). Another example is the way interaction and experiences with different cultures are valued, as with North Africa, which presents high levels of *relationship-based trust*, conducting business meetings in settings such as big family lunches, as happened with a worker of Company X making a deal with local clients (Meyer, 2022).

Suggestions and actions propose

The final part of this research consists of drawing some suggestions that can better fit the international and multicultural environment of this MNC, with the objective of promoting the feeling of belonging throughout the geographies, improving the functioning of international teams, and benefitting from diversity. Following these recommendations will hopefully benefit business and talent attraction, through a desirable employee value proposition. Suggestions and their impact on tensions and value-added can be found in **Table 5** and **Table 6**.

Cultural integration concerns cultural awareness and integration of practices to improve the functioning and well-being in the multicultural environment. For this, cross-cultural training is crucial (Colakoglu & Caligiuri, 2008; Lucke et al., 2014), to teach employees that there are cultural differences regarding ways of working, communication, and time perception, drawing attention to some examples of the most mentioned asymmetries that may be a source of tension. Correctly observing and understanding cultural differences may be challenging, and requires a certain level of expertise, which can be facilitated by cross-cultural training (Lucke et al., 2014). Then, compromise should be made to pursue better results in teamwork.

Table 5. Mitigating tensions

Suggestions	Tensions mitigated
<p>Culture integration Offer cross-cultural training and adapt practices to improve intercultural interaction</p>	<p>National culture tensions: Reduce tensions by adapting behaviors to improve the satisfaction of the parts involved; Reduce uncertainty in distant markets by understanding culture and being prepared beforehand for risks and unfortunate events.</p>
<p>Use of ambassadors Use employees to create a bridge of knowledge and communication between units</p>	<p>Organizational culture tensions: Enhance HQ-subsidaries contact, taking into consideration their conditions and perspectives, shortening the distance between them; Flowing HQ-subsidaries communication, accelerating decision-making and reducing negative perception of centralization.</p>
<p>Interpersonal relations Develop relationships among employees from different cultural backgrounds</p>	<p>National culture tensions: Using personal relations to better understand differences and reduce tensions generated by them.</p>
<p>Visit and interaction Organize regular visits to subsidiaries/HQ</p>	<p>Organizational culture tensions: Frequent visits, contribute to a greater feeling of belonging and perception of self-worth by the subsidiaries; Closer contact with subsidiaries, raising awareness of their needs and considering them in decision-making; Closer contact with subsidiaries, enhancing the vision of business functioning and valuable practices, fostering knowledge transfer across units.</p>
<p>Diversity in decision and teams Ensure culturally diverse teams and management</p>	<p>Organizational culture tensions: Inclusion of different countries in the decision-making process, taking into consideration the subsidiaries' context and point-of-view; Enhancing <i>reverse knowledge transfer</i>; Diversifying decision roles, battling ethnocentric attitudes, and defensive standpoints, and aversion to the central ruling.</p>

Table 6. Leveraging value

Suggestions	Value leveraged
Use of ambassadors	Support “Culture integration” solution
Interpersonal relations	Support “Culture integration” solution National culture value: Fostering multicultural environments and contact in the workplace, improving employee satisfaction.
Visit and interaction	Support “Culture integration” solution Support “Interpersonal relations” solution National culture value: Fostering multicultural environments and contact in the workplace, improving employee satisfaction.
Diversity in decision and teams	Support “Culture integration” solution Support “Interpersonal relations” solution National culture value: Creating multicultural teams, leveraging the value of different point-of-views in decision-making; Fostering multicultural environments and contact in the workplace, improving employee satisfaction.

Ambassadors, i.e., displaced representatives of their country, will serve as an HQ-subsubsidiary bridge, facilitating communication, shortening distance, and improving the feeling of belonging, while also being a strong asset for fighting tensions. For MNCs to better benefit from ambassadors, they should speak both languages and understand both cultures while maintaining regular contact with teams in both countries. This is key to facilitating contact and helping both countries adapt to each other’s cultures. Having ambassadors from subsidiaries in the HQ would also be of interest, as they would help in contact and in understanding cultural differences as well but also be a great way of imposing the feeling of belonging and importance of the subsidiaries, as foreigners are seen as equally suitable to work in the HQ.

Interpersonal relations may indirectly help in understanding culture and adapting – what is caused by cultural differences might many times be mistaken for personal differences, and more naturally recognized; if someone knows and works with a significant number of people from the same culture, with a little help of cross-cultural training, patterns can be recognized, and cultural consciousness may evolve. This way, interpersonal relations supplement cultural understanding, complementing the consciousness of cultural differences with the consciousness of personal differences, leading to adaptation to the context and fighting tensions created by cultural differences.

Cultural consciousness and interpersonal relations can be enhanced by regular visits between countries and consequent interaction among people from various backgrounds. When subsidiaries are regularly visited by the central corporate members, such as their superiors from the executive commission, HR representatives, or team members, the feeling of belonging boosts, and the HQ-subsubsidiary distance decreases.

This may also help the BU executive leader build a connection with the subsidiary workers, which is important for businesses to work efficiently (Sahlueller et al., 2022). Closer contact may also result in a higher awareness of the corporate center about the subsidiaries' problems, needs, and best practices, which may help enhance the importance given to them in decision-making and foster *reverse knowledge transfer*.

Finally, including diversity in decisions and teams may be the solution with a stronger impact, despite its hard implementation. For this, practical suggestions include using expatriates for knowledge transfer (Moeller et al., 2016), projects with online transversal teams across units, and designing succession plans with diversity goals for top management, guaranteeing different nationalities in the executive commission in the long term.

Conclusions

MNCs are complex organisms that incorporate different sub-cultures (Johnson et al., 2017; Morgulis-Yakushev et al., 2018). In light of globalization, it is crucial to develop efficient ways to manage and benefit from multiculturalism (Stahl et al., 2016). This way, managing MNC and HQ-subsidiary relations requires considering the cultural context of each unit.

Although Company X has valuable practices and assets, it may suffer from the numerous tensions arising from flaws in international management and attitude toward cultural differences. This organization's main sources of tension are caused by centralization and cultural differences. In this context, solutions are suggested to mitigate them, while also leveraging the value of the MNC: culture integration, use of ambassadors, interpersonal relations, visits and interaction, and diversity in decisions and teams.

Some of these solutions may be easily applied and result in rapid outcomes, while others involve great effort and may imply structural changes. Nevertheless, they will help the organization better manage its international business and teams if well applied.

Future research should consider the implementation of such solutions and measure their impact on MNCs, complementing the present study and making suggestions applicable to a broader context of MNCs.

References

- Adler, N. J., & Gundersen, A. (2008). *International Dimensions of Organizational Behavior*. Thomson and South-Western.
- Avison, D., Lau, F., Myers, M., & Nielsen, P. (1999). Action Research. *Commun. ACM*, 42, 94-97. <https://doi.org/10.1145/291469.291479>
- Beugelsdijk, S., Kostova, T., Kunst, V. E., Spadafora, E., & van Essen, M. (2018). Cultural Distance and Firm Internationalization: A Meta-Analytical Review and Theoretical Implications. *Journal of Management*, 44(1), 89-130. <https://doi.org/10.1177/0149206317729027>

- Claasen, C., & Roloff, J. (2012). The link between legitimacy and responsibility. The case of DeBeers in Namibia. *Journal of Business Ethics, 107*(3), 379-398.
- Colakoglu, S., & Caligiuri, P. (2008). Cultural distance, expatriate staffing and subsidiary performance: The case of US subsidiaries of multinational corporations. *International Journal of Human Resource Management, 19*(2), 223-239.
<https://doi.org/10.1080/09585190701799804>
- Cox, T. H., & Blake, S. (1991). Managing cultural diversity: Implications for organizational competitiveness. *Academy of Management Perspectives, 5*(3), 45-56.
- Franco, M., & Meneses, R. (2021). The proximity between Latin countries regarding customer's expectations about the hotel service. *EuroMed Journal of Business, 16*(4), 564-581. <https://doi.org/10.1108/EMJB-07-2020-0074>
- Gates, S. R., & Egelhoff, W. G. (1986). Centralization in headquarters–subsidiary relationships. *Journal of International Business Studies, 17*(2), 71-92.
- Hammond, R. A., & Axelrod, R. (2006). The evolution of ethnocentrism. *Journal of conflict resolution, 50*(6), 926-936.
- Hofstede, G., Hofstede, G. J., & Minkov, M. (2010). *Cultures and organizations: software of the mind*. Mc Graw Hill.
- House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., & Gupta, V. (2004). *Culture, leadership, and organizations: The GLOBE study of 62 societies*. Sage publications.
<https://doi.org/https://doi.org/10.5465/ame.2005.16965495>
- Johnson, G., Whittington, R., Scholes, K., Angwin, D., & Regnér, P. (2017). *Exploring strategy: text and cases* (11th ed.). Pearson.
- Kendall, J. (1999). Axial coding and the grounded theory controversy. *Western journal of nursing research, 21*(6), 743-757.
- Kostova, T., Marano, V., & Tallman, S. (2016). Headquarters-subsidiary relationships in MNCs: Fifty years of evolving research. *Journal of World Business, 51*(1), 176-184.
<https://doi.org/10.1016/j.jwb.2015.09.003>
- Lopez-Saez, P., Cruz-Gonzalez, J., Navas-Lopez, J. E., & Perona-Alfageme, M. D. (2021). Organizational integration mechanisms and knowledge transfer effectiveness in MNCs: The moderating role of cross-national distance. *Journal of International Management, 27*(4), 100872. <https://doi.org/10.1016/j.intman.2021.100872>
- Lucke, G., Kostova, T., & Roth, K. (2014). Multiculturalism from a cognitive perspective: Patterns and implications. *Journal of International Business Studies, 45*(2), 169-190.
<https://doi.org/10.1057/jibs.2013.53>
- Lunnan, R., Tomassen, S., Andersson, U., & Benito, G. R. G. (2019). Dealing with headquarters in the multinational corporation: a subsidiary perspective on organizing costs. *Journal of Organization Design, 8*(1), Article 12.
<https://doi.org/10.1186/s41469-019-0052-y>
- Meyer, E. (2022). *Country Mapping Tool*. <https://erinmeyer.com/culturemap/>

Mezias, J. M. (2002). How to identify liabilities of foreignness and assess their effects on multinational corporations. *Journal of International Management*, 8(3), 265-282. [https://doi.org/https://doi.org/10.1016/S1075-4253\(02\)00069-8](https://doi.org/https://doi.org/10.1016/S1075-4253(02)00069-8)

Moeller, M., Maley, J., Harvey, M., & Kiessling, T. (2016). Global talent management and inpatriate social capital building: a status inconsistency perspective. *The International Journal of Human Resource Management*, 27(9), 991-1012. <https://doi.org/10.1080/09585192.2015.1052086>

Morgulis-Yakushev, S., Yildiz, H. E., & Fey, C. F. (2018). When same is (not) the aim: A treatise on organizational cultural fit and knowledge transfer. *Journal of World Business*, 53(2), 151-163. <https://doi.org/10.1016/j.jwb.2017.09.002>

Muellner, J., Klopff, P., & Nell, P. C. (2017). Trojan Horses or Local Allies: Host-country National Managers in Developing Market Subsidiaries. *Journal of International Management*, 23(3), 306-325. <https://doi.org/https://doi.org/10.1016/j.intman.2016.12.001>

Sageder, M., & Feldbauer-Durstmüller, B. (2019). Management control in multinational companies: a systematic literature review. *Review of Managerial Science*, 13(5), 875-918. <https://doi.org/10.1007/s11846-018-0276-1>

Sahlmüller, B., Van Quaquebeke, N., Giessner, S. R., & van Knippenberg, D. (2022). Dual Leadership in the Matrix: Effects of Leader-Member Exchange (LMX) and Dual-Leader Exchange (DLX) on Role Conflict and Dual Leadership Effectiveness. *Journal of Leadership & Organizational Studies*, 15480518221096547. <https://doi.org/10.1177/15480518221096547>

Schein, E. H. (2004). *Organizational Culture and Leadership*. Jossey Bass.

Scott, C., & Medaugh, M. (2017). Axial coding. *The international encyclopedia of communication research methods*, 10, 9781118901731.

Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. John Wiley & Sons.

Stahl, G. K., Tung, R. L., Kostova, T., & Zellmer-Bruhn, M. (2016). Widening the lens: Rethinking distance, diversity, and foreignness in international business research through positive organizational scholarship. *Journal of International Business Studies*, 47(6), 621-630. <https://doi.org/10.1057/jibs.2016.28>