

Abstract

The coordination and control of a network of geographically dispersed subsidiaries is one of the most central challenges of multinational corporations (MNCs). Over the past decades, MNC subsidiaries, once seen as pure providers of location advantages, have become key sources of innovation. What drives MNC subsidiaries to fulfill this new role is the core question that sets the scene for this dissertation.

This work builds on Ghoshal and Bartlett's (1990) seminal theory of the multinational corporation as an interorganizational network and extends it by applying an organizational design perspective. Specifically, I complement the authors' theory with one element of organizational culture – namely, subsidiary Entrepreneurial Orientation (EO). The empirical test is based on a representative survey of 201 managers and employees of a German MNC. The analysis provides support for selected parts of Ghoshal and Bartlett's theory, and reveals new and nuanced insights into the role of MNC subsidiary EO. This contributes to MNC theory-building as well as the conceptualization of the MNC as an interorganizational network.

A systematic literature review forms Part 1 of this dissertation. It develops a holistic research framework based on a systematic review of a large body of research and establishes an agenda for future research. It stimulates the future development of theory at the intersection between network theory, entrepreneurship theory and the theory of the MNC. Part 2 of the dissertation provides a comprehensive review of Ghoshal and Bartlett's seminal work, proposes ways to address its main limitations, translates it into concrete propositions and expands it by connecting it to the entrepreneurship literature. The empirical study of Part 3 provides support for part of that theory as well as new insights into the role of MNC-internal networks in determining subsidiary EO.