

**Determinants of the feedback-seeking behavior of
subsidiary top managers in multinational corporations**

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ABSTRACT:

This study focuses on the feedback-seeking behavior (FSB) of subsidiary presidents through monitoring and through inquiry. The aim of the study is to explore if and how varying levels of intracorporate interaction, trust, and shared vision influence subsidiary presidents' feedback-seeking behavior. Trust is found to be a central precondition for both types of feedback-seeking. However, feedback-seeking through inquiry is also found to be positively related to economic incentives – namely, linking subsidiary presidents' bonuses to MNC regional performance. The study is based on data collected from 89 Finnish subsidiaries of foreign MNCs during January-May 2000.

Key words: Feedback-seeking, self-regulatory behavior, MNC coordination.

Efficient intracorporate network coordination is considered to be of central importance for the success of the modern multinational corporation (MNC). Studies of MNCs have repeatedly underlined how important it is that subsidiaries' actions support their parent corporations' global strategies, and that relevant knowledge developed in one unit is quickly diffused to and implemented in other units (e.g., Hedlund, 1986; Bartlett and Ghoshal, 1989; Ghoshal and Bartlett, 1990; Gupta and Govindarajan, 1991). This has resulted in a strong interest in both formal and informal methods for coordinating intracorporate MNC networks (e.g., Ghoshal and Nohria, 1989; Martinez and Jarillo, 1989; Ghoshal et al. 1994; Nohria and Ghoshal, 1994; Roth and O'Donnell, 1996). Studies in the area have, however, mainly focused on coordination efforts emanating from the parent corporation. Much less research has been directed at another potentially important aspect of internal network coordination: that of self-regulatory behavior by subsidiaries, or subsidiaries coordinating themselves.

In an attempt to contribute to the understanding of this as yet little explored aspect of the internal coordination of MNCs, this paper focuses on feedback-seeking behavior (FSB) in MNCs. The importance of feedback-seeking behavior as an object of study has been well argued by Gupta et al. (1999:219), who note that 'In general, higher levels of feedback-seeking by all members of an organizational community should contribute positively to long-term organizational effectiveness (because) ...the larger the magnitude of FSB in an organization, the larger would be the number of people proactively engaged in continuous performance improvement.'

More specifically, the focus of this paper is on the feedback-seeking behavior of subsidiary presidents. This choice is based on two arguments. Firstly, subsidiary presidents' feedback-seeking behavior constitutes a central element of feedback-seeking behavior in MNCs at the

subsidiary level (Gupta et al., 1999); and secondly, it adds to our knowledge of the behavior of key individuals in MNCs, an aspect about which little is currently known (Bartlett and Ghoshal, 1995; Gupta et al., 1999). The aim of the study may thus be summarized as follows: to explore if and how potential determinants of feedback-seeking influence subsidiary presidents' feedback-seeking behavior. The study is based on data collected from 89 Finnish subsidiaries of foreign MNCs during January-May 2000.

Previous research

Feedback may constitute a valuable resource for an individual, but on the other hand, conscious feedback-seeking also entails costs for him/her (Ashford, 1986; Ashford and Cummings, 1983; Ashford and Tsui, 1991, Bennett et al., 1990; Fedor, 1991; Gupta et al. 1999; Northcraft and Ashford, 1990). According to Ashford and Cummings (1983), the main potential benefits of feedback-seeking for the focal individual are: a) more accurate signals with regard to goal prioritization; b) reduced uncertainty with regard to issues surrounding goal attainment; and c) a better basis for improving his/her own competence. The focal individual must, however, balance these potential benefits against at least the following potential costs: a) effort costs incurred by the obtainment of relevant information; b) inference costs incurred in interpreting that information; and c) face loss costs incurred by potentially negative feedback and/or appearing insecure.

Ashford and Cummings (1983) suggest that insofar as an individual chooses to seek feedback, he/she will do so through one or both of two strategies: through monitoring or through inquiry. These strategies, although mutually non-exclusive, result in quite different kinds of action. For the focal individual, feedback-seeking through monitoring 'entails observing the situation and the

behaviors of other actors for cues useful as feedback... [and thus] involves a fair degree of interpretation and inference' (Ashford and Cummings, 1983:382-383). Feedback-seeking through inquiry, by contrast, results in the focal individual 'directly asking actors in [his or her information environment] for their perception and/or evaluation of the behavior in question' (Ashford and Cummings, 1983:385). Given the differences between these two types, it is clear that the benefits and the costs of the process will be impacted by the type of feedback-seeking chosen. The feedback obtained through inquiry may be easier to interpret (and hence to act upon) than the feedback obtained through monitoring, but it also entails greater potential effort and face loss costs. Inversely, the inference costs of feedback-seeking through monitoring are potentially higher, and the obtained feedback will usually be more opaque. Thus, in each specific potential feedback-seeking situation, the focal individual will first compare potential benefits and costs and only then decide, firstly, whether to engage in feedback-seeking at all, and secondly, in which type of it.

Gupta et al. (1999) studied the impact of organizational context on subsidiary presidents' feedback-seeking both through monitoring and through inquiry. They found that both kinds of feedback-seeking were significantly more frequent a) the more laterally integrated with the rest of the MNC the studied subsidiaries were, and b) the more subsidiary presidents had participated in corporate socialization mechanisms. In addition, feedback-seeking through monitoring was also found to be more common the more frequently subsidiary presidents communicated with executives from the parent corporation.

Gupta et al:s (1999) study constitutes a valuable first exploration of feedback-seeking behavior in the context of multinational corporations. Given its status as a pioneering effort it is, however,

quite natural that the range of possible determinants of feedback-seeking covered was relatively limited. When attempting to elaborate on their findings, extending the research focus to a broader range of potential determinants emerges as a central task. Perhaps most importantly, it should be noted that the determinants examined by Gupta et al. (1999) all concentrated on what might be termed ‘intracorporate interaction’ and shared an emphasis on easily quantifiable aspects of such interaction (e.g., frequency of different kinds of HQ-subsidary communication). However, it appears reasonable to assume that the determinants of individual feedback-seeking will be strongly influenced by individual perceptions of the costs and benefits associated with different kinds of feedback-seeking behavior. It would hence seem interesting to contrast and compare the above-mentioned group of potential determinants with other determinants, probing deeper into how managers actually construct their personal “balance sheets” with regard to seeking feedback. Two groups of such determinants appear particularly interesting, perhaps especially so because they represent quite different approaches to the problem.

Firstly, one could easily imagine that variables of a cognitive kind would impact on managerial feedback seeking behavior. For example, face loss costs incurred by appearing insecure may be suggested to diminish as individuals develop increasingly deep, trusting personal relationships. Thus, the presence of e.g. a high degree of trust in a relation may have a positive impact on the extent of which managers engage in feedback seeking. Here, we may refer to Nahapiet and Ghoshal’s (1997) discussion of social capital. Nahapiet and Ghoshal suggest that social capital – which they divide into three interrelated, overlapping, but different dimensions, namely the structural, the relational, and the cognitive – can be used to explain where capabilities for creating and sharing knowledge stem from. As the desire for creating or acquiring knowledge obviously

underpins the notion of seeking feedback, this perspective may yield useful insights with regard to understanding feedback-seeking behavior.

The *structural* dimension is mainly concerned with the impersonal linkages between people or units, such as the existence of network ties between actors; the pattern of ties in terms of e.g. density, connectivity, or hierarchy; and the existence of networks created for one purpose that may be used for another ('appropriable organization'). As such, it appears to be closely linked to the quantitative aspects of intraorganizational interaction examined as potential determinants of feedback-seeking by Gupta et al. (1999). The *relational* dimension, by contrast, focuses on those personal relationships, friendships, and relations of mutual respect individuals have developed through a history of interactions, and so includes such concepts as trust and trustworthiness, norms and sanctions, obligations and expectations, and identity and identification. Finally, the *cognitive* dimension encompasses organizational phenomena such as shared representations, interpretations, language, codes, narratives, and systems of meaning among parties.

Tsai and Ghoshal (1998) provided an empirical application of these concepts to the MNC context. They termed the structural dimension *social interaction*, the cognitive dimension *shared vision*, and the relational dimension *trust* – a terminology which will henceforth be used also in this paper – and examined relationships between these dimensions and the patterns of resource exchange and combination inside 15 units of a large MNC. Their results indicated that higher scores on these dimensions indeed seemed to facilitate resource exchange and combination within MNCs. (It should be noted that, again following Tsai and Ghoshal (1998:470), resource exchange and resource combination are discussed as one concept in this study since 'the resource combination process often takes place in conjunction with resource exchange'.) Thus, Tsai and

Ghoshal (1998) suggest that high levels of intracorporate social interaction, trust, and shared vision may promote the exchange of resources, including knowledge. If feedback is considered to be one form of knowledge, it seems, then, reasonable to suggest that high levels of intracorporate social interaction, trust, and shared vision might also result in an increased propensity to seek feedback.

The close relationship between those independent variables Gupta et al. (1999) found to be associated with high levels of feedback-seeking and the social interaction dimension would seem to constitute partial support for this logic. However, those variables appear to relate only implicitly to the ‘shared vision’ and ‘trust’ dimensions. Against this background, explicit integration of these dimensions into a more comprehensive picture of the antecedents of feedback-seeking would seem to be highly relevant for increasing our understanding of the topic.

On a quite different note, a second determinant of feedback-seeking behavior may be money. It is interesting to note that the arguments underlying the feedback-seeking discourse fundamentally refer back to economic rationality, as in ‘costs and benefits of feedback-seeking’. Yet, Gupta et al. (1999) – in the only previous study of feedback-seeking in an MNC context – did not include any kind of economic compensation variable among their independent factors. Against this background, examining the effects of monetary ‘carrots’ on subsidiary presidents’ feedback-seeking behavior emerges as an important complement to both the interaction-focused and the cognitively focused explanations of such behavior.

Hypotheses

Trust. Trust is hypothesized to have a positive impact of both types of feedback-seeking. Its suggested impact on feedback-seeking behavior stems primarily from the notion that the potential face loss costs associated with feedback-seeking may be moderated by interpersonal trust. Also, it may generally be easier to seek feedback from a trusted source than from a source one does not trust, decreasing effort costs. Finally, feedback from a trusted source may be considered more valuable. Thus:

Hypothesis 1a: The more subsidiary presidents perceive their relationship to their superiors in the MNC as being characterized by trust, the higher will be the extent of feedback-seeking through monitoring.

Hypothesis 1b: The more subsidiary presidents perceive their relationship to their superiors in the MNC as being characterized by trust, the higher will be the extent of feedback-seeking through inquiry.

Shared vision. High levels of shared vision are hypothesized to be positively related to both types of feedback seeking, since sharing a set of images and interpretations should make it easier to rely on the feedback sought: the signals received should be easier to interpret from within a shared framework, decreasing effort costs. Shared vision may also contribute to lower the threshold for feedback-seeking, since the perceived risk for face loss may be smaller against the background of a shared world view. Thus:

Hypothesis 2a: The more subsidiary presidents perceive that they and their superiors share the same visions, the higher will be the extent of feedback-seeking through monitoring.

Hypothesis 2b: The more subsidiary presidents perceive that they and their superiors share the same visions, the higher will be the extent of feedback-seeking through inquiry.

Intracorporate interaction. Intracorporate interaction is hypothesized to have a positive impact of both types of feedback seeking. Interacting with superiors on different kinds of internal events and social situations, ranging from visits to training, is suggested to provide ample opportunities to seek feedback from them both through monitoring their behavior and through active inquiries for feedback. Thus:

Hypothesis 3a: The more frequently subsidiary presidents interact with their superiors, the higher will be the extent of feedback-seeking through monitoring.

Hypothesis 3b: The more frequently subsidiary presidents interact with their superiors, the higher will be the extent of feedback-seeking through inquiry.

Economic incentives. Economic incentive structures linking subsidiary presidents' compensation to the result of larger entities than those they are responsible for themselves are hypothesized to have a positive impact on both types of feedback seeking. More specifically, reward systems which place a relatively stronger emphasis on the fortunes of the whole MNC, or its divisions or business areas, than on the result of individual subsidiaries, are suggested to increase subsidiary top managers' motivation to comply with those larger units' policies, procedures, and goals, and work toward the greater good of those larger units. In order to do that well, however, subsidiary managers will need – and seek – feedback. Thus:

Hypothesis 4a: The closer the economic rewards of subsidiary presidents are linked to larger MNC entities than those they are responsible for themselves, such as (1) the whole

MNC or (2) divisions or business areas, the higher will be the extent of feedback-seeking through monitoring.

Hypothesis 4b: The closer the economic rewards of subsidiary presidents are linked to larger MNC entities than those they are responsible for themselves, such as (1) the whole MNC or (2) divisions or business areas, the higher will be the extent of feedback-seeking through inquiry.

Method

Sample and data collection

Data for this study was collected through structured face-to-face interviews with 89 top managers of Finnish subsidiaries of foreign MNCs. The participating firms were picked from a list of the 150 largest foreign-owned subsidiaries in Finland, resulting in a sample of 30 US-owned, 32 Scandinavian-owned, and 27 European-owned units. Their parent companies ranged from 34 to 183,000 MUSD in annual turnover (mean: 16,000) and operated in between 3 and 228 countries (mean: 85). The focal subsidiaries had been part of their parent corporations for between 1 and 102 years (mean: 22), had between 45 and 6290 employees (mean: 460), and sales varying between 5 and 1000 MUSD (mean: 100).

The data collection was begun by sending out a letter to the targeted companies, introducing the project and underlining that individual responses would be treated confidentially. The respondents were then contacted by telephone to book interviews. These were conducted in January-May 2000 and lasted between 45 minutes and 2 hours. During the interviews, the respondents and the researchers went through an extensive, pre-tested questionnaire together and filled it in. The questionnaire language was English. 81 of the respondents were Finnish, while 8

were expatriates; any terms or concepts respondents perceived as unclear during interviewing were explained to them in the language they felt most comfortable with (Finnish, Swedish or English). The structured interviews were complemented with informal discussion afterwards.

Measures

Feedback seeking. Following Gupta et al. (1999) and Ashford (1986), the present study used the following questions on 7-point Likert scales (ranging from “not at all” to “very frequently”) to measure the extent to which subsidiary presidents sought for feedback from their peers and superiors in the MNC: ‘In order to find out for yourself how well you personally are performing in your present job, how frequently do you: a) Observe what performance behaviors your superiors reward and use this as feedback on your own performance; b) Compare yourself with executives at your level in the organization; c) Pay attention to how your superiors act toward you in order to understand how they perceive and evaluate your performance; d) Observe the characteristics of executives rewarded by your superiors and use this information; e) Seek information from your colleagues about your work performance; f) Seek feedback from your superiors about your work performance; and g) Seek feedback from your superiors about your potential for advancement within this corporation.’ According to Ashford (1986) and Gupta et al. (1999), the questions a-d pertain to feedback-seeking through monitoring and the questions e-g pertain to feedback-seeking through inquiry. In this study, factor analysis broadly supported this division, although question e had to be dropped for reasons of reliability. After this adjustment had been performed, however, the two factors exhibited satisfactory alphas of 0.78 for FS through monitoring and 0.72 for FS through inquiry.

Intracorporate interaction. The proxy for intracorporate interaction used in this study was an aggregate of the frequency with which managers from the studied subsidiaries made trips and visits to other units of the MNC; participated in corporate interunit committees, teams, and task forces; participated in training involving participants from several units; and participated in other corporate activities such as meetings and conferences. Respondents graded these on 7-point Likert-type scales ranging from 1=less than yearly to 7=weekly. The measures are similar to those used by Gupta et al. (1999), although less elaborate due to the constraints set by the length of our questionnaire. The construct's relatively low alpha of 0.57 is explained by the fact that the e.g. trips and visits on one hand, and participation in corporate training on the other, occur at quite different frequencies (although they both may be classified as intracorporate interaction).

Trust. To measure trust, Tsai and Ghoshal (1998) asked their respondents to indicate which fellow units in the MNC under study could be relied on and would always keep their promises. This measure is appropriate for tracing "networks of trust" within a single MNC, as was the intention of Tsai and Ghoshal. For the purposes of the present study, however, where responses from a large number of subsidiaries of different MNCs were treated quantitatively, the following proxy for trust was deemed to be more appropriate: on 7-point Likert scales (ranging from very formal/not open to very informal/very open) respondents were asked to grade the atmosphere of interunit trips and visits; corporate interunit committees, teams, and task forces; training involving participants from several units; and other corporate activities such as meetings and conferences. An aggregate of these measures was used as a proxy for interunit trust (alpha=0.87).

Shared vision. The following four questions, graded on 7-point Likert scales ranging from 'not at all' to 'very much', were used to measure the extent to which the focal subsidiary shared a

common vision with its headquarters: 1) ‘The business practices and operational mechanisms of the two units are very similar’; 2) ‘The organizational culture and management style is very coherent and similar across the two units’; 3) ‘Your unit shares the same ambitions with the unit in question’; and 4) ‘Together with the other unit, you have a shared understanding of doing business’. These or similar questions have been used in several previous international business studies (e.g. Tsai and Ghoshal 1998) to measure the concept of intraorganizational trust ($\alpha=0.78$).

Economic incentives. The effects of economic incentives on subsidiary presidents’ feedback-seeking behavior was studied by asking respondents to indicate how many percent of their annual bonuses and possible salary increases were determined based on the economic performance of larger parts of the MNC than they were responsible for themselves – i.e., the business area or division, or the MNC as a whole. The means of these two variables were 12.0% and 10.4% respectively, with corresponding standard deviations of 22.9 and 19.8.

MNC home region. MNC home region was used as a control variable. All MNCs in the sample were headquartered in either the U.S.A., Scandinavia, or Europe. In order to control for possible home region effects, Scandinavia was treated as the base case and dummy variables were created for the other two home regions.

A correlation matrix of the resulting variables is presented in Table 1 overleaf.

Table 1: Correlation matrix of the studied variables

Pearson correlation coefficients among variables under study.

| | Mean | Std. | v1 | v2 | v3 | v4 | v5 | v8 | v9 | v10 | v11 |
|--|-------|-------|-------|-------|-------|-------|------|--------|-----|------|-----|
| v1: FS/M | 4.07 | 1.61 | . | | | | | | | | |
| v2: FS/I | 3.39 | 1.54 | .44** | . | | | | | | | |
| v3: Shared vision | 4.92 | 1.10 | .23* | .19* | . | | | | | | |
| v4: Intracorp. interaction | 12.85 | 3.84 | .29** | .20* | .10 | . | | | | | |
| v5: Trust | 5.15 | 1.23 | .33** | .21* | .29** | .06 | . | | | | |
| v8: US MNC | 0.34 | 0.48 | .24* | .09 | .18* | .29** | -.10 | . | | | |
| v9: European MNC | 0.30 | 0.46 | -.04 | .11 | .05 | -.04 | -.03 | -.47** | . | | |
| v10: bonus basis: regional performance | 12.03 | 22.87 | .03 | .26** | .28* | .20* | -.04 | .10 | .05 | . | |
| v11: bonus basis: global performance | 10.41 | 19.85 | .25* | .05 | .06 | -.12 | .07 | .16 | .05 | -.06 | . |

** . Correlation significant at the 0.01 level (1-tailed)

* . Correlation significant at the 0.05 level (1-tailed)

Results

Regression analyses were carried out to test the effects of the two groups of determinants on the two types of feedback-seeking behavior. The results are presented in Table 2 below.

Table 2: Determinants of managerial feedback seeking through monitoring and through inquiry

| Multiple regression analysis: Determinants of feedback-seeking through monitoring | | |
|--|-------------------------------------|----------------------------------|
| Independent variables | Dependent variables | |
| | Feedback seeking through monitoring | Feedback seeking through inquiry |
| <i>Organizational variables</i> | | |
| MNC region of origin: USA | .171 | .145 |
| MNC region of origin: Europe | .013 | .174 |
| <i>Compensation-related variables</i> | | |
| % of bonus based on MNC's regional performance | -.045 | .185 |
| % of bonus based on MNC's global performance | .232* | .007 |
| <i>Social capital dimensions</i> | | |
| Trust | .273* | .259* |
| Intracorporate interaction | .304** | .162 |
| Shared vision | .089 | .016 |
| <i>R</i> ² | .329 | .178 |
| <i>F</i> | 4.966*** | 2.227* |
| * one-tail $p < 0.05$; **one-tail $p < 0.01$; ***one-tail $p < 0.001$ Data in the table present standardized regression coefficients. | | |

Discussion

Trust as a determinant of managerial feedback-seeking behavior. Feedback seeking both through monitoring and through inquiry was found to increase as subsidiary top managers' trust for their superiors in the MNC mounted. Thus hypotheses 1a and 1b were supported. In other words, the positive relation between feedback seeking behavior and the relational aspect of social capital seems to support the argument that it is easier to seek feedback from a trusted source than from a source one does not trust. Furthermore, the observation that trust is the only variable with a significant impact upon feedback-seeking through inquiry may reflect the additional point that a

high degree of trust is necessary to decrease the potential face loss costs associated with openly inquiring for feedback.

Shared vision as a determinant of managerial feedback-seeking behavior. There was no correlation between shared vision – the cognitive aspect of social capital – and either type of feedback seeking. Thus, neither hypothesis 2a nor hypothesis 2b was supported. We may thus conclude that trust and shared vision are indeed two conceptually and practically distinct phenomena, as suggested by Tsai and Ghoshal (1998). It seems to be possible for an individual to trust other actors in an MNC's internal network without necessarily sharing their visions.

Intracorporate interaction as a determinant of managerial feedback-seeking behavior. The hypotheses concerning the relationship between intracorporate interaction and feedback-seeking behavior receive mixed support. More specifically, interaction emerged as the most important determinant of feedback-seeking through monitoring (thus supporting hypothesis 3a), but the relationship to feedback-seeking through inquiry was not significant (no support was found for hypothesis 3b). Thus, the relative importance of intracorporate interaction may be suggested to vary for different types of feedback-seeking behavior. This would seem to be supported by Ashford and Cummings' (1983: 382) argument that feedback-seeking through monitoring entails 'observing the situation and the behaviors of other actors for cues useful as feedback'. This type of feedback-seeking thus can only occur with difficulty if the opportunity to observe other actors through interaction with them is not present. Feedback-seeking through inquiry, by contrast, may perhaps more easily be acquired by other means of interaction and communication.

Economic incentives as a determinant of managerial feedback-seeking behavior. The data provided mixed but interesting support for the economically inspired argument that a linkage between respondents' bonuses and the performance of other organizational levels than their own could increase their propensity to seek feedback from those levels. More specifically, there is a significant relationship between feedback-seeking through monitoring and the extent to which the whole MNC's result influences subsidiary top managers' annual bonuses and salary increases, supporting hypothesis 4a(1). Basing bonuses on global MNC performance, however, had no effect at all on feedback-seeking through inquiry, so hypothesis 4b(1) was not supported. Thus, we may hypothesize that a linkage between bonuses and total MNC performance may be enough to raise a 'passive', monitoring interest in how one is performing in relation to the whole, but no more than that; apparently, top managers of subsidiaries in small, peripheral countries do not consider their impact on the total result of the MNC to be sufficiently significant to merit active inquiry for feedback. Against this background, the inversion of these effects when basing bonuses on regional or business area performance is notable. Here, a positive correlation with feedback-seeking through inquiry came close to emerging as significant (although it did not do so), while the previously found significant correlation to feedback-seeking through monitoring disappeared completely. Thus, although neither hypothesis 4a(2) nor hypothesis 4b(2) was supported, it may be speculated that perhaps the top managers of peripheral subsidiaries still feel their actions have sufficient bearing on the regional result (as opposed to the result of the whole MNC), with attendant economic consequences for themselves, to motivate at least a certain level of active feedback inquiry.

MNC nationality as a determinant of managerial feedback-seeking behavior. Although the nationality of the studied subsidiaries' parent MNCs did not have any significant effect on the

results, there is an interesting difference between European- and US-domiciled MNCs. There is hardly any relationship at all between feedback seeking through monitoring and European parent corporations, but for subsidiaries with American parents, the relationship is much stronger. Observations made during the informal part of the data collection interviews help to interpret this finding: it seems U.S. MNCs have gone further than either Scandinavian or European ones in providing subsidiary managers with monthly, weekly, often even real-time feedback on their performance. This feedback is accessed through monitoring in the sense that the subsidiary managers do not ask for it. As one respondent said, 'I couldn't avoid it even if I wanted to'.

Conclusion

Summing up these findings, we may begin on a general level by noting that the results of this study do support the notion of two conceptually and practically distinct types of feedback-seeking behavior, governed by different motivational mechanisms. From a MNC top managerial perspective, this has concrete implications with regard to measures to be taken in cases where the promotion of self-regulatory behavior by subsidiaries is considered desirable. Then, moving to the level of concrete determinants of feedback-seeking behavior, the results of this study lend partial support to the results of Gupta et al. (1999) who found that feedback-seeking of both kinds increased with lateral integration and participation in corporate socialization mechanisms, and feedback-seeking through monitoring increased with the frequency of communication with the parent corporation. These phenomena, which have been treated together in the present study under the heading of 'intracorporate interaction', emerge as significantly positively correlated with feedback-seeking through monitoring. It may be that a more detailed specification of intracorporate interaction than was possible in the present study would have supported Gupta et al.'s (1999) results even more strongly.

Further, the present study finds support for the notion that trust is a central determinant of both types of feedback-seeking behavior. The results thus support the idea that “soft” concepts can and should be employed to provide more complete explanations of feedback-seeking behavior in MNCs. Although the concept of ‘trust’ is admittedly somewhat esoteric and hard to pin down, it nevertheless appears that students of feedback-seeking behavior in MNCs would do well to include it – or similar concepts – in future studies of the phenomenon in order to arrive at a more complete picture. On the other hand, it also seems important to consider the implications of the found connection between feedback seeking and linking subsidiary top managers’ monetary rewards to the performance of a larger entity than their own unit. The findings indicate that intracorporate interaction and trust may usefully be complemented by economic incentives to provide a more complete explanation of the determinants of feedback-seeking behavior.

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