

銘傳大學九十一學年度管理科學研究所博士班招生考試

第一節

管理科學文獻評論 試題

請詳細閱讀所附論文之後，逐項回答下列各題：

1. 請說明本文的貢獻，與被刊登的理由。(本題佔 10 分)
2. 請就本論文，提出兩個本文的主要論點(須註明頁次出處)，及邏輯推理的基本脈絡。(本題佔 20 分)
3. 請就本文之假說，逐項說明其所牽涉到的 Construct Operational Definition，與 Variables 為何。(本題佔 30 分)
4. 請說明本文在資料處理上的信度與效度水平。(本題佔 10 分)
5. 請根據你所指出的主要論點，並依據你的學術專長，建構初一個研究問題，然後提出 應該如何針對此一問題進行研究，以達到符合學術論文要求。(本題佔 30 分)

所附論文如下

Dependence, trust, and relational behavior on the part of foreign subsidiary marketing operations: Implications for managing global marketing operations

Kelly Hewett William O Bearden

Abstract:

The authors of a study explore how a global firm's ability to foster successful relationships between its foreign subsidiaries' and headquarters' marketing operations can enhance the performance of products across markets. The results show that cooperative behaviors are positively associated with product performance in the subsidiaries' markets. National culture in the foreign markets is also found to moderate the effect of trust on the relational behaviors. In addition, the subsidiaries' acquiescence becomes increasingly important as the firm attempts to standardize marketing programs.

Full Text:(第一頁置二十八頁)

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In today global marketplace, it is increasingly likely that firms have a presence in more than one national market. Achieving success in the different markets in which the firm operates is largely dependent on the firm's ability to management its marketing activities on a global basis. In particular, the ability of well as their willing to work in conjunction with managers at the headquarters' marketing operation to achieve establish objectives, may determine whether the firm can achieve marketing success.

Whether or not multinational corporations (MNCS) have tendency toward standardizing or adapting global marketing strategies across foreign markets , cultivating effective relationship with the managers in the marketing operations at those locations is critical (Jain 1989; Quelch and Hoff 1986). According to Bartlett and Ghoshal (1991), a key change in strategy in MNCs is the building of multinational flexibility by relinquishing strategic roles to individual

subsidiaries. As subsidiaries take on different strategic marketing roles to individual subsidiaries. As subsidiaries take on different strategic marketing roles, there is a greater need for effective management of the relationships between the headquarters' and subsidiary's marketing operations. From a relationships include the subsidiary's trust and dependence on the headquarters (Blau 1964; La Valle 1994; Makoba 1993; Morgan and Hunt 1994).

Research examining the interface between the headquarters' and foreign subsidiary's marketing operations continues to suggest the importance of these relationship. Recent studies have focused more generally in the issues of power and control over foreign subsidiaries (see Noble and Birkinshaw 1998; Nohria and Ghoshal 1994; O'Donnell 2000; Roth and Nigh 1992) and the management of knowledge flows across markets (Gupta and Govindarajan 2000). In addition, research focusing on other intrafirm relationship, such as those between functional units (see Ruekert and Walker 1987; Song, Montoya-Weiss, and Schmidt 1997; Song and Parry 1997) has tended to focus more directly on how the units differ in their perceptions of their roles and/or positions within the firm. Last, the literature on marketing relationships has largely addressed relationships in one national setting and has not considered the influence of national culture or the multinational firm context. We extend the findings from these different branches of literature by focusing more directly on the global marketing operation and by employing a relationship marketing framework to understand the factors driving successful relationships between the headquarters' and subsidiary's marketing operations. Finally, by examining the influence of national culture on these relationships, we provide additional insights into managing relationships in an international context. In this article, we explore the factors that contribute to firms' abilities to successfully manage the marketing function globally, focusing on the perception of the headquarters-subsidiary relationships by the subsidiaries' marketing managers. We argue that cooperative and acquiescent behaviors on the part of the marketing operations at the foreign subsidiaries should enhance the likelihood that performance objective for individual products are achieved in the subsidiaries' individual markets. As such, we approach the present research from a relationship marketing perspective (see Anderson and Narus 1990; Ganesan 1994; Morgan and Hunt 1994). Specially, we link predictions based on the relationship marketing literature with findings regarding standardization/adaptation of marketing strategy and the influence of national culture on the managerial behavior. Subsequently, we develop a framework that

provides a lens through which to examine headquarters-subsidary marketing function relationship and to investigate their importance in managing global marketing programs.

Management of Global Products and the Headquarters-Subsidiary Relationship

The importance of cultivating brands on a global is well recognized. When properly managed, a brand can contribute to the MNC's reputation and performance worldwide, acting as a symbol of the company's global image (Morris 1996). Also, global cultivation of a brand can yield economics of scale in the marketing and management of those brands (Aaker and Joachimsthaler 1999; Buzzell 1968; Levitt 1983; Quelch and Hoff 1986). Recent research in global marketing has focused largely on standardization/adaptation (see Jain 1989; Picard, Boddewyn, and Grosse 1998; Roth 1995a, b; Samiee and Roth 1992; Szymanski, Bharadwaj, and Varadarajan 1993; Walters and Toyne 1989), issue related to culture (see Money, Gilly, and Graham 1998), cross-national comparisons (see Samiee and Ancker 1998; Song and Parry 1997), and country-of-origin effects (see Hong and Wyer 1989; Maheswaran 1994). To date, limited empirical work has been done to explore the global management of the marketing function.

An example of the importance of headquarters-subsidiary communication in an MNC dedicated to global marketing is Colgate-Palmolive. In a recent study of consumer branding by global firms, Boze and Patton (1995) found that more than one-third (37%) of the Colgate brands included in their study were marketed in multiple countries and six of the brands are marketed in more than 33 countries. Cooperation from managers in those foreign markets with Colgate's headquarters is key to success in implementing global marketing programs for brands and achieving the firm's goal of superior performance in those markets (Kindle 1994).

The headquarters-subsidiary relationship has been suggested to be one of increasing importance for the MNC (Roth and Night 1992). Moreover, there is at least some evidence that headquarters-subsidiary marketing operation relationship may be reluctant to accept ideas communicated to them because they may not want to acknowledge the value of other's ideas in a competitive cooperate environment (Goodman and Darr 1996). Similarly, Picard, Boddewyn, and Grosse (1998) have discovered that the subsidiary's autonomy is an important factor influencing an MNC's international marketing decisions.

The present research draws on the headquarters' and subsidiary's marketing operations. Social exchange theory, which we use in developing our

conceptual framework, is often used as a foundation for understanding factors that influence relationship quality. One central idea underlying relationship marketing is that the goal of marketers is to nurture lasting relationships by means of a fostering successful relationships, such that both parties achieve long-term benefits, is highlighted in relationship marketing studies (see Morgan and Hunt 1994). An important question for the MNC is the extent to which enhancing the relationship between the headquarters' and subsidiary's marketing operations is associated with successful implementation of marketing programs in the subsidiaries' markets.

A Model of Headquarters-Subsidiary Relationships

Largely on the basis of the predictions of social exchange theory, certain features have repeatedly been found to be important to building quality relationships. Specifically, trust and dependence between parties have been suggested to be central factors in motivating each party to participate or engage in successful and mutually beneficial exchange relationships (see Blau 1964; La Valle 1994; Makoba 1993; Morgan and Hunt 1994). Based largely on social exchange theory, the conceptual framework depicted in figure 1 suggests the importance of both trust and dependence for forming successful relationships. These antecedent factors not only have consistently been found to be important factors in studies across a variety of relationship contexts (see Anderson and Narus 1990; Morgan and Hunt 1994) but also are particularly relevant to the context of this study.

Relational Behaviors in the Context of MNC

Studies of relationship marketing typically examine different characteristics of exchange relationships (e.g. trust, dependence) in terms of their influence on some desired outcome. More specifically, these outcomes generally represent desired behaviors on the part of one or more of the partners in the exchange. The specific outcomes that are examined tend to differ on the basis of the context of the study. For example, studies of buyer-supplier relationships focus on behaviors such as acquiescence, a decreased propensity to leave a relationship (Ganesan 1994), whereas studies in the marketing channels context focus on behaviors such as cooperation (Anderson and Narus 1990) or flexibility (Lusch and Brown 1996). Across these different contexts, acquiescence and cooperation are consistently highlighted as representing desirable behavioral outcomes from successful relationships (Anderson and Narus 1990; Be-ndapudi and Berry 1997; Ganesan 1994; Kumar, Stern, and Achrol 1992; Morgan and Hunt 1994). These

two behaviors not only are consistent across the relationship marketing literature but also are particularly appropriate in the context of headquarters-subsiary marketing function relationships in terms of the implementation of marketing program elements in individual foreign markets.

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【IMAGE ILLUSTRATION】 Captioned as: FIGURE 1

On the basis of findings from previous studies of marketing relationships, these two behaviors are suggested in our conceptual framework to result from perceptions of dependence and trust on the part of managers at the subsidiary's marketing operations. Specifically, successful relationships between the headquarters' and subsidiary's marketing operations should result in the subsidiary's (1) acquiescence to the headquarters in terms of marketing procedures, directives, and programs implemented in the local market and (2) goals with respect to the marketing procedures, directives, and programs for a particular product. An important distinction between these two constructs, highlighted by Morgan and Hunt (1994), is that cooperation is proactive whereas acquiescence is reactive.

Acquiescence. Acquiescence is defined as the extent to which one party in an exchange situation accepts or adheres to another's specific requests (Bendapudi and Berry 1997; Kumar, Stern, and Achrol 1992; Morgan and Hunt 1994; Steers 1997). Because different subsidiaries in dispersed geographic locations will have different responsibilities and will operate in various market conditions, each subsidiary will possess unique knowledge and experience and may have interests that diverge from those of the headquarters (Norhria and Ghoshal 1994). Therefore, the headquarters faces a need to utilize its unique knowledge in decision making, while somehow influencing the subsidiaries to act in line with its interests. Kumar, Stern, and Achrol (1992), in their assessment of reseller performance in supplier-reseller relationships, suggest that reseller compliance, or the reseller's reception of supplier's channel policies and programs, is important for the supplier's ability to present its products to end users in the manner it wishes. We similarly view subsidiary acquiescence as important for the headquarters' ability to present its present study, we perceive the extent to which the foreign subsidiaries act in line with the headquarters' interests as reflecting the subsidiary marketing managers' participation in marketing procedures, directives, and programs that the marketing function at the headquarters' marketing operation requests.

Cooperation. Cooperation is defined as complementary coordinated action taken by the headquarters' and subsidiary's marketing functions to achieve mutual outcomes (see Anderson and Narus 1990, p.45). Morgan and Hunt (1994) suggest that cooperation requires the two parties in a relationship to participate actively to achieve mutual benefits and that cooperation promotes success in relationships. Similarly, Roth and Night (1992) define coordination by foreign subsidiaries as collaborative actions to achieve unity of effort with the MNC

and suggest that collaboration is characteristic of effective headquarters-subsidary relationships. We view cooperation from the perspective of the subsidiary's managers, in terms of their interactions, communications, and goals with respect to marketing procedures and programs for a product.

Dependence-Based Path to Relational Behavior

The dependence of one party on another can be as the extent to which the first party relies on the relationship for the present study, dependence reflects the extent to which the subsidiary depends in general on the effective functioning of the headquarters in order to perform its own tasks related to the implementation of a marketing program for a product. In the context of marketing operations at MNC headquarters and subsidiaries, some form of a dependence relationship is likely.

According to social exchange theory, the existence of an imbalance of power due to one party's dependence on the other makes it possible for one party to direct the activities of another (Blau 1964; Molm 1994). The level of perceived dependence of one partner on another is thought to be an important feature of the relationship (Anderson and Narus 1990; Berry and Parasuraman 1991; Blau 1964; Gundlach and Cadotte 1994; Parsons 1964; Smith, Ross, and Smith 1997). The dependence of one party on another is also suggested to be positively associated with acquiescence to that party (Bendapudi and Berry 1997; Blau 1964; Morgan and Hunt 1994). The greater the perceived dependence of the subsidiary's marketing managers will feel, and the more likely the subsidiary will be to acquiesce to the marketing function at headquarters. Although some research in the channels literature has concluded that dependence is not related to control (see Gaski 1984), our view is that a subsidiary's managers should feel compelled to follow directives on the basis of its reliance on headquarters for important resources.

Support for these notions can be found in several related studies. For example, Prahalad and Doz (1981) study the influence of independence on the strategic control a headquarters has over its subsidiaries. Similar to the view of dependence and acquiescence taken here, Prahalad and Doz's definition of strategic control is the "extent of influence that a head office has over a subsidiary concerning decision that affect subsidiary strategy" (Prahalad and Doz 1981, p. 5). Anderson and Narus (1990) also examine unilateral dependence as a determinant of the extent to which one firm has influence over its partner, and these authors find a link between unilateral dependence and the use of influence by a supplier over its distributors. In additions, Joshi and

Arnold (1998) find that the dependence of a buyer on a supplier in an industrial setting leads to buyer compliance. Thus, the perceived dependence of the subsidiary's marketing function on that at headquarters should result in higher levels of acquiescence. In summary,1

H1: The subsidiary's perceived dependence on the MNC headquarters' marketing function is positively related to the subsidiary's acquiescence to the headquarters.

Trust-Based Paths to Relational Behavior

The trust-based paths reflect the important of trust in relationships (Bendapudi and berry 1997; Blai 1964; Ganesan 1994; Garbarino and Jhonson 1999; Kozak and Cohen 1997). The literature dealing with trust is vast, and definitions range from those viewing trust as a personality trait (Dwyer and LaGace 1986) to those encompassing beliefs about another's behavior or behavior that reflects the truster's vulnerability to the other (Moorman, Zaltman, and Deshpande 1992). In Doney and Cannon's(1997, p.36) study of trust in buyer-seller relations, the authors define as "the perceived credibility and benevolence of a target of trust." Doney and Cannon's definition captures the motives and/or intentions of the other party and is adopted here. Although many studies in an organizational context focus solely on the credibility aspect(see Moorman, Zaltman, and Deshpande 1992; Morgan and Hunt 1994), without specific regard for the notion of benevolence, the emphasis on benev-ol-ence may be particularly in this context, because the subsidiaries in our sample were wholly owned subunits of the parent corporations. From the subsidiary's perspective, a concern for its welfare may be particularly important in motivating relational behavior, because the headquarters may be seen as "going beyond the call of duty".

Trust is positioned here as having a direct influence on acquiescence and cooperation (Bendapudi and Berry 1997; Morgan and Hunt 1994). From a relational perspective, trust is important as a mechanism both for persuasion and for encouraging future exchanges. Exchange partners often heed each other's suggestions by virtue of the trust placed in the partner (La Valle 1994, p.596). Morgan and Hunt's(1994) finding regarding the influence of trust on acquiescence support this expectation. Doney and Cannon(1997) likewise find that trust enhances the likelihood of future interactions among parties. Relatedly, Moorman, Zaltman, and Deshpande(1992) find that trust enhances the quality user-researcher interactions and commitment to those relationships. Similarly, the trust the subsidiary's marketing function has in the headquarters should enhance acquiescence. Multiple aspects of trust embodied in our

definition can also be seen as leading to a willingness to follow directives. First, a subsidiary may be more willing to acquiesce to the extent that it perceives the headquarters as likely to keep promises and provide reliable information (i.e., credibility). Likewise, if the subsidiary perceives the headquarters as concerned about its welfare (i.e., benevolence), perceives the headquarters as directives to be best interest and more likely to follow them. More formally,

H2: The subsidiary's trust in the headquarters' marketing function is positively related to its acquiescence to the MNC's headquarters.

Morgan and Hunt (1994) also find that trust leads to cooperative behaviors and to decrease in uncertainty. Arguments similar to those provided for the effects of trust on acquiescence can be made for the influence of trust on cooperation. If the headquarters is perceived as credible and as concerned with the subsidiary's welfare (benevolence), the subsidiary may be more likely to cooperate. Relatedly, Ganesan (1994) finds that trust positively influence a retailer's long-term orientation toward a relationship, reflecting a perception that joint outcomes will benefit both organization in the long run. Thus, trust enhances perceptions that outcomes will be mutually beneficial for both partner. Likewise, Anderson and Narus (1990) argue that cooperative behaviors lead to outcomes that exceed what one partner could achieve if it acted alone and focused only on its interests. Trust, then, is expected to lead to cooperation. Therefore,

H3: The subsidiary's trust in the headquarters' marketing function is positively related to the subsidiary's cooperation with the MNC's headquarters.

Culture Influences on Relational Behavior

The behavior and attitudes of managers at foreign subsidiaries are likely to differ from those of managers at MNC's headquarters if the cultures in those markets differ significantly. Hofstede (1980) found that cultural differences vary along four dimensions: uncertainty avoidance, individualism/collectivism. On the basis of a study of more than 88,000 employees at subsidiaries of a U.S.-based MNC, Hofstede (1980) created indices for more than 40 countries for each dimension. These indices have been used in more than 60 applications (Sondergaard 1994). The underlying values and attitudes of different culture groups, as well as the nature of decisions they make (Hofstede 1980; Schneider and DeMeyer 1991; Shane 1994; Tayeb 1994). As examples, cultural values can affect organizational processes (Hofstede 1983; Stephens and Greer 1996) and leadership styles of managers (Tayeb, 1994). In addition, Tse and colleagues (1988) find that culture influences decisiveness and choice of

decision strategies used in marketing situations.

In terms of culture influences on relational behavior, the present study focuses on the influence of the individualism/collectivism dimension. Individualism/collectivism reflects the way people in a society interact and has been suggested to be the most pervasive difference associated with national culture (Williams, Han, and Quails 1998). This dimension of culture also appears most relevant to the study of relationships, given its focus on interactions among people. In more individualistic cultures, unilateral or individual goals take on greater importance than group goals, whereas in collectivistic societies, interpersonal ties take on greater importance, and people are expected to focus more on the need of the collective groups than on their own needs (Doney, Cannon, and Mullen 1998; Hofstede 1984). Our interest in examining the effect of culture, and individualism/collectivism specifically, is to understand conditions under which a relationship based on trust might be more effective in leading to cooperative behaviors.

Recently, the level of individualism/collectivism has been suggested to influence the likelihood of cooperative behaviors in multinational organizations directly (Chen, Chen, and Meindl 1998). Empirical evidence also points to a link between this dimension and relational behaviors. Chatman and Barsade (1995), for example, find that members of collectivistic cultures are more likely to reciprocate in cooperative behaviors. In addition, Williams, Han, and Quails (1998), in their study of cross-cultural business relationships, find that managers in highly collectivistic countries are more receptive to social bonding, which focuses on strategic objectives. More specifically, managers in collectivistic cultures reacted more strongly to interpersonal factors such as trust than monetary incentives for motivating relational behaviors. Therefore, trust should be more effective in motivating relational behavior among managers in collectivistic cultures than in individualistic cultures. Because cooperation generally reflects proactive behaviors on the part of managers at the subsidiary to achieve mutual outcomes with the headquarters (see Anderson and Narus 1990), the level of individualism/collectivism should influence the extent of cooperative behaviors. Specifically, we expect individualism/collectivism to moderate the relationship between trust and cooperation such that trust will take on greater importance in motivating cooperative behaviors in more collectivistic cultures. The following hypothesis summarizes this expectation:

H4: Trust will have more of an effect in cooperation in highly collectivistic cultures than in highly individualistic cultures.

Performance as an Outcome of relational Behaviors

In an effective relationship, both partners are expected to receive long-term benefits from the relationship so both parties can achieve their respective goals (see Morgan and Hunt 1994). Although many can be linked to performance, we view the possible performance implications of strong relationships as an important question that is worthy of study. To the extent that the subsidiary's marketing functions displays cooperation and acquiescence, we expect the ability of a product to meet the objectives established for the individual subsidiary's market to be enhanced. Similar to Moorman and Miner(1997), We are concerned here with how well the product achieved profitability, sales, and share goals.

The ability of an MNC's headquarters to motivate and control the subsidiary's actions in executing its global strategies is described as a critical aspect of the firm's ability to compete successfully (Doz, Prahalad, and Hamel 1990). Intuitively, the willingness of subsidiaries to follow directive in implementing with the ability of that product to achieve its established performance objectives. In additions, international cooperative behaviors have been suggested to be key to the success of global companies (Alder 1991). Belatedly, Jap(1999) finds supports for the notion that coordination efforts on the part of partners in a dyadic relationship, defined as their pattern of complementary actions and activities, can lead to enhanced performance in terms of profits resulting from dyadic collaboration efforts. From a relationship marketing perspective, relational behaviors should result in both parties in an exchange relationship achieving their respective goals. In our context, achieving the product's goals, as established in the global marketing program, can be seen as a mutual objective. Consistent with these arguments, we propose the following:

H5: The subsidiary's marketing function cooperation is positively related to brand performance in the market in which that subsidiary operates.

Moderating Effect of Global Marketing Program Orientation

Last, as Simpson and Wren(1997) suggest, several non relational factors may influence the effect of the nature of an exchange on the outcome of that exchange. Notably, the influence of such non relational factors has not been studied extensively. An important aspect of the MNC's marketing strategy is the extent to which the marketing program for the product is standardized across markets or adapted to each market(Douglas and Wind 1978; Jain 1989; Picard, Boodewyn, and Grosse 1998;Quenlch and Hoff 1986). This choice of marketing program orientation has implications for both

relationship quality and product performance. For example, Jain(1989) hypothesizes that conflict and poor relationships between the marketing functions at an MNC's headquarters and its foreign subsidiaries discourage the transfer of global marketing program elements to individual markets. We focus on standardization versus adaptation in terms of the content of the marketing program, in accordance with Ja-in's(1989) description of this variable.

The greater the extent to which the headquarters' marketing function has an orientation toward standardizing the marketing program for a product, the more important the relationship with the marketing function at headquarters would be to an individual subsidiary's ability to implement that program successfully in its markets. In situations in which the marketing program for a particular product is developmental efforts or strategy implementation, acquiescence to the headquarters maybe less important for the product's ability to meet its objectives. In addition, when the headquarters is attempting to standardize the marketing program, the likelihood of goal congruity between the headquarters and subsidiaries will be greater than when the subsidiaries are more autonomous. Thus, the important of relational behaviors on the part of the subsidiary for achieving those goals should be less. On t-he basis of these arguments, we offer the following:

H6: When global marketing program standardization is high, acquiescence will have a greater effect on market brand performance than when standardization is low.

Research Methods

In this section, we describe the procedures used to gather the data in detail. First, we discuss the survey instrument and selection of key informants. Next, we describe the procedures used to assess non response bias. Finally, we present the measure and steps followed in validating the multiple item scales included in our questionnaire.

Survey Procedure and Sample

We conducted the present study using a mail survey. Where possible, we used existing measure for operational-izing constructs. We administered the questionnaire in English, because target respondents were senior managers at U.S. based firm. We pretested the questionnaire among 16 academic experts and marketing managers to assess clarity of instructions and scale items. We debriefing after comments were received. Participant comments focused primarily on response format instructions; we made modifications on the basis of their feedback.

Key informants were subsidiary-based marketing managers who were

responsible for the marketing activities for one or more products/brands sold in their respective markets. Selecting key informants on the basis of their formal roles in the subsidiary, such that they are knowledgeable regarding the phenomenon under study, this critical in organizational research (Kumar, Stern, and Anderson 1993). Therefore, the sampling procedure required the identification of foreign subsidiaries of U.S.-based global firms and people with the appropriate responsibilities at those subsidiaries.

We developed the sample using the following steps: First, using the international Directory of Corporate Affiliations: Corporate Affiliations Plus (1997), we accessed hierarchies of U.S.-based firms and identified firms with foreign subsidiaries. Using this list of firms and subsidiaries, we attempted to identify target respondents and gain cooperation of the key informant in the survey (see Hartline and Ferrell 1996). It was necessary that there be a company-owned marketing presence in each foreign market. Second, we placed telephone calls to corporate headquarters was not available, we called the subsidiaries. This procedure resulted in the identification of 495 subsidiaries from 135 U.S.-based corporations. Third, subsequent correspondence and telephone calls indicated that in few cases, the foreign office was not appropriate. Elimination of such locations resulted in a final sample of 406 foreign subsidiaries, which represented 133 U.S.-based firms.

A mail questionnaire was sent to each of the identified respondents. As in Dillman's (1978) work, follow-up questionnaires were sent after six and ten weeks. Cover letters outlined the nature of the study and emphasized the confidentiality of the respondents. Respondents indicated on the questionnaire the name of the product or brand, its product category, and the geographic region for which they responded. As an incentive for participation, respondents were also given the opportunity to request a summary report of findings from the completed study (see Robertson, Eliashberg, and Rymon 1995). Initial and follow-up mailings resulted in responses from 143 subsidiaries of 66 different MNCs, for a 35% response rate. These 143 responses represent 36 different country markets of the 49 included in the original mailing. The respondents represented more than 30 industries. The median number of employees at the subsidiaries was 150; the average sales for the subsidiaries in U.S. dollars was 533 million. The respondents averaged 3.33 years of experience in their particular positions and 7.90 years of experience with the subsidiary.

As an additional measure to increase the speed of response and the overall response rate, participants were offered the options of either faxing their responses (Vazzana and Bachman 1994) or using a return envelope. Of the

respondents, 17% faxed their returns, and the remaining 83% mailed them or used a courier service such as DHL.

Estimating Non response as Bias

We first examined non response bias using the procedures recommended by Armstrong and Overton (1997). As such, we compared the responses from the first mailing with the responses from the third mailing by testing for mean differences on all the variables in the study, including subsidiaries' characteristics. The results of this comparison showed no significant differences across the waves of mailings on responses to any multi-item scales or indicate to any questions regarding subsidiaries' characteristics (The P-value for these comparisons ranged from .20 to .87). The same analyses using the first versus the second and third waves combined also yielded no significant differences. In addition, we gathered secondary data on subsidiaries' characteristics for both responding and non responding firms (America's Corporate Families and international Affiliates: Corporate Affiliations Plus 1998). Comparisons across the numbers of employees and total of subsidiaries also yielded no significant differences ($p < .77$ for employees, and $p < .43$ for sales). Finally, we compared response rates across not differ significantly ($p < .40$).

Measurement

Preexisting measures were identified where possible and adapted on the basis of the nature of the phenomena under study. Dependence was assessed on a scale adapted from a measure used by Astley and Zajac (1990) in their study applying exchange theory to study subunit power within MNCs. This measure included items intended to assess the extent to which the managers perceive that their subsidiary depends in general on the effective functioning of the headquarters in order to perform its own tasks, and the scale was originally developed with the objective of applying social exchange theory to relationships between subunits of MNCs. Doney and Cannon's (1997) measure of trust was adapted for the study to assess subsidiaries' marketing managers' trust in the headquarters. Kumar, Stem, and Achrol (1992, p. 240) developed a measure of reseller compliance with the supplier's channel policies and programs. This conceptualization parallels the concept of acquiescence proposed previously and therefore was adapted for this study. Cooperation was measured on a scale adapted from Song, Montoya-Weiss, and Schmidt's (1997) study of cross-functional cooperation.

In measuring performance, we employed procedures similar to those used by Moorman and Miner (1997), in that respondents were asked to rate the

extent to which a particular product achieved various outcomes related to profitability, sales, and market share. We conducted several additional analyses to assess the validity of the performance index. First, an examination of the corrected item-to-total correlations revealed that the estimates for the five indicators ranged from .66 to .86. As such, each of these values exceeds the recommended cutoff value of .50 for item retention (Zaichkowsky 1985). Second, we correlate the index of relative performance (i.e., we operationalized each indicator using subjective measures that reflected performance relative to objectives) (see Moorman and Miner 1997, p.102) with an absolute measure of market share for the product and market being investigated, controlling for the brand's length of time in the market. This correlation was .38 ($p < .01$). More important, though modest in strength, this estimate was significant and positive. The absence of a stronger relationship is due, on the one hand, to differences between the relative measure used in testing our hypotheses and the inherent fallibility of self-reported data (see Simple and Kavas 1984, p.800).

The culture index value developed by Hofstede (1980) were used to reflect individualism/collectivism, and an index of marketing program elements based on the work of Jain (1989) was used for the marketing program orientation construct. The standardization/customization index included items reflecting various elements of the marketing program for a product, each of which and have varying degree of standardization. For these latter two measure, positive responses indicate higher levels of individualism and customization, respectively.

We subject all scaled multiple-item measures that were assessed with reflective indicators (i.e., all measures excepts the individualism/collectivism and marketing program orientation indices) to purification procedures designed to evaluate dimensionality, reliability, and discriminant validity (see Anderson 1987; Garbing and Anderson 1998). Across all the scales, we identified five items with low factors loadings ($X < .50$) and subsequently dropped them from future analyses. The final measurement scales, as well as Cronbach's α values, are presented in Appendix A. Using the PROC CALIS procedures in SAS, we first assessed the psychometric properties of our final measures using confirmatory factor analysis. Given the limitations of our sample size, we divided the constructs into two subsets: exogenous (e.g., trust and dependence) and endogenous (e.g., acquiescence, cooperation, and performance) variables to form measurement models (see Doney and Cannon 1997). For the second model, the performance construct was estimated as a

higher-order factor with two sets of indicators representing sales volume (sales and market share) and profitability (return on investment, return on assets, and profit margin). Although the chi-square statistics for both models were statistically significant ($\chi^2=88.88$, degrees of freedom [d.f.] = 26 for Model 1 and $\chi^2=144.99$, d.f. = 72 for model 2), these estimates are sensitive to sample size and should not be considered without examinations of other fit indices (Sharma 1996). Other fit indices (goodness-of-fit index = .88 for Model 1 and .86 for model 2, Tucker-Lewis index = .82 for Model 1 and .92 for Model 2, relative noncentrality = .87 for Model 1 and .94 for Model 2) suggest that the measures provide a reasonable fit to the data. In addition, loadings for all indicators were significant (t-value all ≥ 4.60).

With one exception (acquiescence), Cronbach's α for the final sales exceeded .70, providing evidence of generally acceptable reliability (see Peter was .67). In addition, composite reliability scores based on the item loadings from confirmatory factor models ranged from .68 to .89 (for these same variables). Before performing more formal tests of discriminant validity, we performed exploratory factor analyses as described previously. No substantial cross-loadings were observed among items across the different constructs. Gerbing and Anderson (1988). First, we ran confirmatory factor analysis models, we constrained the λ coefficient to 1.0 and then estimated it freely in the second model, in all cases, we found the model with the free λ constructed confidence intervals around the λ coefficient estimate using two times the standard error of the λ coefficient estimates using two of the cases did the confidence interval contain 1.0, which provided additional evidence of discriminant validity. The results of these analyses are summarized in Appendix B.

In an additional effort to assess the content validity of the measurement scales, we conducted a smaller-scale study in which we reevaluated the measures using procedures similar to those recommended by Zaichkowsky (1985) and employed in several studies in the marketing literature (e.g., Netemeyer et al. 1997; Netemeyer, Burton, and Lichtenstein 1995; Saxe and Weitz 1985). Specifically, we administered a questionnaire to expert judges with experience doing key informant research, asking them to rate the degree to which each item represented the constructs in our model. Using the procedure recommended by Zaichkowsky (1985), the panel of 26 expert judges rated each item as "clearly representative," "somewhat representative," or "not representative" of the construct of the interest. Across all items, mean responses were greater than 2.0, and in no case did fewer than 80% of judges

indicate their perception that the item was at least somewhat representative. This 80% level of agreement is consistent with that used by Zaichkowsky (1985) in determining representative of items.

Analyses and Result

The summary statistics and Interco relations for all variables included in the study are shown in Table 1. Moderated regression analysis was used to assess supported for individual hypotheses, including the hypothesized moderation effects for individualism/collectivism and marketing program orientation (see Arnold 1982; Barron and Kenny 1986).⁴ In an initial series of analyses, multicollinearity was found between the interaction terms and their underlying components in tests of H4 and H6. To address this problem, procedure recommended to reduce the problems, variables were mean-centered before forming the interaction terms, a procedure recommended to reduce the problems associated with multicollinearity (see Aiken and West 1991; Jaccard, Turrisi, and Wan 1990). As a check on the effect of this procedure, the variance inflation factors (VIFs) for all variables were computed. The largest of the resulting VIFs was 1.35, well below the maximum level of 10.0 suggested by Mason and Perreault (1991; see also Neter, Wasserman, and Kutner 1990, p.409).

Separate regression analyses were performed for each of the three dependent variables representing the subsidiary's size (sales in dollars) and industry (two dummy variables representing durables, nonsurables, and services) were also include in all three regression models (see Moorman 1995). Product terms using composite indicates that represented the moderator variables and appropriate main effect variables were also included. Details of the results of these tests are discussed subsequently. Note that plots of normal probability plot suggested no violation of the normality assumption (Neter, Wasserman, and Kutner 1990). The result for all three models are presented in Table2.

Effects on Acquiescence

H1 and H2 predict relationships with acquiescence as an outcomes. Table 2, Part A, presents the results of the regression equations used to test these hypotheses. Standardized parameter estimates are provided; the associated t-values are shown in parentheses. As shown, the coefficient for dependence is not significant, indicating a lack of support for H2. Thus, it appears that trust has a significant effect on acquiescence, at least for our sample of managers.

Effect on Cooperation

H3 and H4 predict relationships with the subsidiary's marketing function

cooperation as an outcomes. The results of the regression equations used to test these hypotheses are presented in Table 2, Part B. Regarding H3, trust is shown to be significantly associated with the subsidiary's marketing functions level of cooperation ($t=7.56, p<_.01$). For H4, the coefficient for the interaction term is also significant ($t=-2.04$) and in the direction hypothesized. In an effort to understand the interaction effect, we following the slope analysis procedure described by Aiken and West (1991). According to Aiken and West , the presence of the interaction term is evidenced by the significance of its coefficient. By means of the slope analysis procedure, the relationships between trust and cooperation can be understand at different levels of individualism/collectivism. The equation is calculates using values of individualism/collectivism one standard deviation below the mean, at the mean, and then one standard deviation above the mean. We substituted high, moderate, and low values of individualism/collectivism in model that also included main effects of trust and individual ism/collectivism. This analysis revealed that at high levels of individualism , the relationship between trust and cooperation is weakest ($\beta=.439$), and at low levels , the relationship is strongest ($\beta=.730$). These results support H4.

**[IMAGE TABLE] Captioned as: TABLE 1
Performance as an Outcome**

H5 and H6 predict relationships with product performance in the subsidiary's market. The regression results using performance as the dependent variable are shown in Table 2, Part C. As indicated in Table2, the data support H5 and H6. 5 A significant coefficient was found for the main effect of cooperation ($t=2.62, p<.01$), and a marginally significant coefficient was found for the interaction of marketing program orientation and acquiescence ($t=-1.93, p<=.056$). That is, in support of H5, cooperation had a direct effect on performance, as predicted. The negative coefficient for the marketing program orientation x acquiescence interaction term suggests that the greater the extent to which the marketing program elements for a given product are customized by the individual subsidiary's market. Again, the nature of this significant interaction was a e-xa-mined. The slope analysis revealed that at high levels of standardization (low levels of customization), the relationship between acquiescence and performance is strongest ($\beta=.24, t=1.92$), and at low levels of standardization (low levels of customization), and at low levels of standardization, it is weakest ($\beta=-.092, t=-.77$). Thus, and as predicted, it appears that acquiescence becomes increasingly important for performance as

the elements of marketing program for a product are standardized across geographic markets.⁶

[IMAGE TABLE]Captioned as :TABLE2

Summary and General Discussion

A key objective of this study was to understand the antecedence of relational behaviors on the part of the marketing operations at a global firm's individual foreign subsidiaries. The conceptual model, derived largely from the relationship marketing literature, suggested two such antecedences: the dependence of one party on the other and the trust that one party has in the other (see Anderson and Narus 1990; Bendapudi and Berry 1997; Makoba 1993; Morgan and Hunt 1994). The finding reported here emphasize the significantly associated with both acquiescence and cooperation, whereas dependence was not be found to be significantly associated with acquiescence. The influence of national culture on headquarter-subsidiary marketing function relationships was also explored. On the basis of prior finding (see Williams, Han, and Qualls 1998) regarding the receptiveness of managers in collectivistic culture to forms bonding that focus more on personal factors such as trust than on more economic type rewards, we predicted a moderating effect of individualism/collectivism (Hofstede 1980) on the trust-cooperation relationship (Williams, Han, and Qualls 1998). Our findings suggest that in more collectivistic cultures, trust takes on greater importance in motivating cooperative behaviors.

Finally, the research . extends traditional relationship marketing frameworks to explore the influence of relational behaviors on self-reports of product performance in individual foreign markets. Specifically, our findings indicate that there is a positive association between cooperative behaviors on the part of subsidiary's marketing managers surveyed and the ability of a product to achieve its objective in the subsidiary's individual market. In additions, we found the acquiescent behaviors take on greater importance to the extent that marketing program policies and procedures are standardized. Following a brief description of limitations of this research , we discuss the implications of our findings for MNC strategy and for further research .

Notes:

- 1. In addition to research reported in this article , we conducted depth interview with global marketing managers at MNC headquarters (n=5).**

These interview responses revealed that global managers considered poor relationships to be detrimental to the success of marketing programs to the extent that the poor relationship influenced the subsidiary's marketing operations not to adhere to or accept policies or procedures handed down by the headquarters (i.e., acquiescence).

- 2. In subsequent studies. A fifth dimension, Confucian dynamism, or long-term orientation, was found (Hofstede 1984).**
- 3. Dillman (1978) recommend reminders after in week and replacement questionnaires after three weeks and seven weeks for domestic surveys. Because international mailings are hampered by the lengthy delivery process, two weeks were added for the reminder postcard, and three weeks were added for the follow-up mailings with replacement questionnaires.**
- 4. We replicated the moderated regression analyses using path analysis that employed composite scores as indicators of all constructs (setting error at I-square root of the reliability for constructs with reflective indicators). We estimated interaction effects in the path analysis using composite score product terms (see Grewal, Monroe, and Krishnan 1998).**
- 5. As acknowledge previously , the collection of the performance measure contiguous with the antecedent variables is a limitation.**
- 6. To account for the possible effects of the headquarters' dependence on the subsidiary, we gathered secondary data on the worldwide sales figures of each multinational firm represented in our sample for the period in which the subsidiary's sales information was provided. We then calculated the percentage of worldwide sales accounted for by each subsidiary for that period and reran our analyses controlling for this ratio as well as that industry code variables already included in the models. In all three regression models, among the sample for which we were able to obtain worldwide sales information (n=103), the results were consistent with this reported in the article. That is, controlling for the proportion of firm sales represented by each subsidiary, we found support for H1-H6(t-values for these coefficient=6.07,7.18,-2.01,3.54and -2.40, respectively).**

FIGURE 1
A Model of Headquarters–Subsidiary Relationships

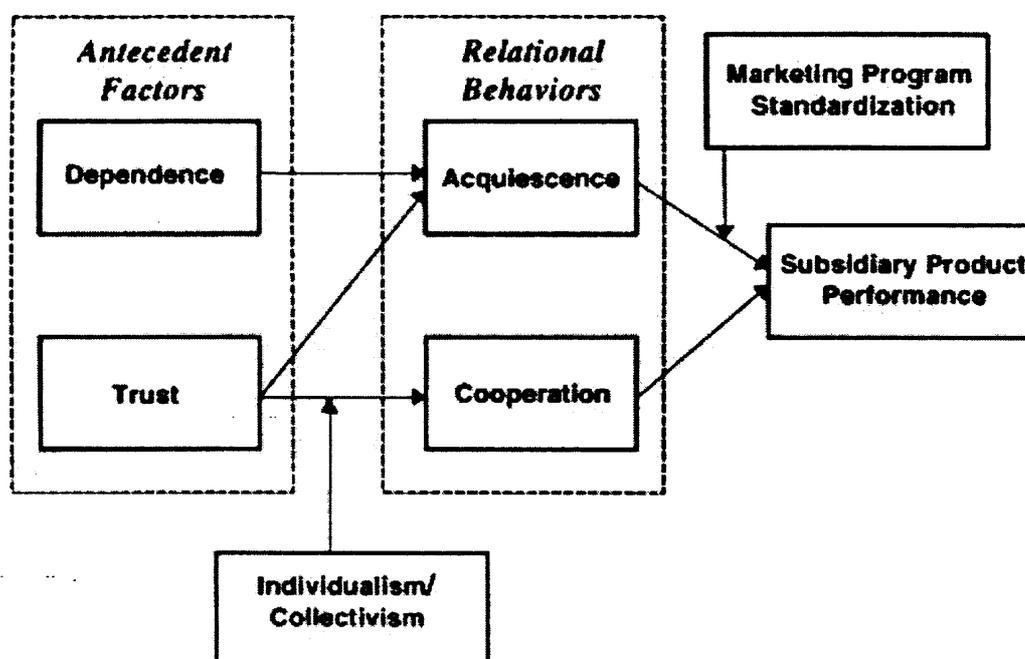


TABLE 1

Variable Means, Standard Deviations, and Intercorrelations

Variable	1	2	3	4	5	6
1. Vertical dependence	1					
2. Trust	.26**	1				
3. Individualism/collectivism ^a	-.16	-.23*	1			
4. Acquiescence	.15	.53**	-.13	1		
5. Cooperation	.44**	.65**	-.18*	.38**	1	
6. Performance	.31	.29**	-.06	.16	.25**	1
7. Market program orientation ^a	-.28**	-.05	.13	-.06	-.11	-.05
Mean	4.51	4.87	42.90	4.90	4.75	4.66
Standard Deviation	1.28	1.09	27.78	1.00	1.21	1.37

^a These variables were included in analyses only when combined with other variables as interaction terms.

* $p \leq .05$

** $p \leq .01$

TABLE 2

Tests of Hypothesized Relationships

A: Dependent Variable: Acquiescence

Independent Variables	Prediction	Parameter Estimate	t-Value
Dependence	(H ₁ , +)	-.051	-.62
Trust	(H ₂ , +)	.553**	6.53
Control Variables			
Subsidiary's sales		-.091	-1.11
Industry dummy variables 1		.186	2.27
Industry dummy variables 2		.010	.13
F-statistic		9.472**	
Adjusted R ²		.27	

B: Dependent Variable: Cooperation

Independent Variables	Prediction	Parameter Estimate	t-Value
Trust	(H ₃ , +)	.584**	7.56
Individualism		-.091	-1.20
Trust*Individualism	(H ₄ , +)	-.152*	-2.04
Control Variables			
Subsidiary's sales		.122	1.61
Industry dummy variables 1		-.105	-1.42
Industry dummy variables 2		.018	.25
F-statistic		13.71**	
Adjusted R ²		.40	

C: Dependent Variable: Performance

Independent Variables	Prediction	Parameter Estimate	t-Value
Cooperation	(H ₅ , +)	.260**	2.62
Acquiescence		-.002	-.02
Marketing program orientation	(H ₆ , +)	.013	.14
Acquiescence*marketing program		-.175	-1.93

orientation

Control Variables

Subsidiary's sales	.160	1.73
Industry dummy variables 1	0141	1.52
Industry dummy variables 2	0072	080
F-statistic	3.01**	
Adjusted R ²	.11	

* p<=.05

** p<=.01

APPENDIX A
Final Scale Items

Vertical Dependence (Adapted from Astley and Zajac 1990; Cronbach's $\alpha = .78$)

Please indicate the extent to which each of the following statements describes your subsidiary's marketing operation using a seven-point scale, where 1 = "to a very little extent" and 7 = "to a very great extent."

- To perform its own tasks effectively, the marketing operation at your subsidiary relies on the effective functioning of the marketing operation at headquarters.
- Knowledge gained in the marketing operation at headquarters is transferred to the marketing operation at your subsidiary.
- Work in the marketing operation at your subsidiary is connected to the work of the marketing operation at headquarters.

Trust (Adapted from Doney and Cannon 1997; Cronbach's $\alpha = .84$)

Please rate your agreement with each of the following statements regarding the marketing operation at headquarters using a seven-point scale, where 1 = "to a very little extent" and 7 = "to a very great extent."

- The marketing operation at headquarters keeps promises it makes to our marketing operation.
- We believe the information that the marketing operation at headquarters provides to us.
- The marketing operation at headquarters is genuinely concerned with the success of the marketing operation at this subsidiary.
- The marketing operation at headquarters considers our welfare when making marketing decisions regarding this market.

- Individuals in the marketing operation at headquarters are trustworthy.
- Individuals in the marketing operation at headquarters are not always honest with us. (r)

Acquiescence (Adapted from Kumar, Stern, and Achrol 1992; Cronbach's $\alpha = .67$)

Please rate your agreement with each of the following statements regarding your subsidiary's brand or product management activities using a seven-point scale, where 1 = "to a very little extent" and 7 = "to a very great extent."

- Generally, your marketing operation conforms to headquarters' accepted procedures.
- Your marketing operation has had trouble implementing marketing programs that headquarters recommends. (r)
- Your marketing operation has frequently gone against the terms contained in headquarters' marketing operation directives. (r)
- Your marketing operation accurately performs requests of the marketing operation at headquarters in a timely fashion.

Cooperation (Adapted from Song, Montoya-Weiss, and Schmidt 1997; Cronbach's $\alpha = .86$)

Please rate your agreement with each of the following statements regarding your subsidiary's brand or product management activities using a seven-point scale, where 1 = "to a very little extent" and 7 = "to a very great extent."

- People from the marketing operations at both headquarters and your subsidiary regularly interact.
- There is open communication between the marketing operations at headquarters and your subsidiary.

- The marketing operations at headquarters and your subsidiary have similar goals.
- Overall, your subsidiary's marketing operation is satisfied with its interaction with the marketing operation at headquarters.
- There is a give-and-take relationship between the marketing operations at headquarters and your subsidiary.

Performance (Adapted from Moorman and Miner 1997; Cronbach's $\alpha = .90$)

Now, rate the extent to which the brand/product you indicated on page 1 has achieved the following outcomes relative to its original objectives for the most recent annual fiscal period using a seven-point scale, where 1 = "to a very little extent" and 7 = "to a very great extent."

- Market share
- Sales
- Return on assets
- Profit margin
- Return on investment

Global Marketing Program Orientation

Think about the brand/product you indicated on page 1. For each of the following marketing program elements, please approximate the extent to which headquarters has developed standardized processes that it requires you to use in your market versus allowing your subsidiary's marketing operation to develop and implement market- or country-specific marketing processes. (Check "N/A" if an item does not apply.) Scale: 1 = 100% standardized by headquarters' marketing operation, 2 = 75% standardized/25% customized, 3 = 50% standardized/50% customized, 4 = 25% standardized/75% customized, 5 = 100% customized by subsidiary marketing operation.

- | | |
|------------------------------|------------------------------|
| a. Product design | h. Sales promotion |
| b. Product positioning | i. Media allocation |
| c. Brand name used | j. Salesforce responsibility |
| d. Packaging | k. Management of salesforce |
| e. Price | l. Use of middlemen |
| f. Basic advertising message | m. Type of retail outlet |
| g. Creative expression | n. Customer service |

Notes: (r) = reverse-coded.

**APPENDIX B
Discriminant Validity Analysis for Multiple-Item Scales**

	Trust	Vertical Dependence	Acquiescence	Cooperation	Performance
Trust	.50				
Vertical dependence	.30	.55			
	99.71				
	88.88				
Acquiescence	.62	.22	.42		
	22.88	73.26			
	70.60	36.14			
Cooperation	.79	.37	.36	.56	
	46.94	33.14	33.14		
	157.78	62.10	62.10		
Performance	.29	.37	.20	.24	.64
	263.05	112.30	80.81	285.58	
	281.83	192.43	208.94	230.06	

Notes: Entries below the diagonal show (1) ϕ coefficients (reflecting correlations among constructs), (2) difference in chi-square from fixed ($\phi = 1.00$) model and free (ϕ estimated) model, and (3) chi-square for free model. Shared variance values are provided on the diagonal.

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