International Human Resource Management:

Drivers of Subsidiary Performance
– The Impact of Subsidiaries’ Autonomy in Determining HR-Policies

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Hand-in: June 2011

Number of characters including spaces, footnotes, graphs and tables, table of contents & bibliography: 175441

Number of pages: 175441/2275=77
Executive Summery

Globalisation has created the challenge of applying management approaches from company headquarters and at the same time adjusting them locally in subsidiaries. Hence, MNCs must design HR-systems that balance the needs of both local responsiveness and global integration, which is a balance that has implications for performance. Therefore, many MNCs have decided to grant considerable autonomy to their subsidiaries in relation to creating their own HR-systems for strategic reasons. As such, the purpose of this project is to examine how subsidiary autonomy in determining pay & performance policy, training & development policy, employee involvement & communication policy, and policy towards trade unions, can affect subsidiary performance – more specifically, labour productivity and performance in relation to customers and employees. Thus, the research question is:

**RQ: How do subsidiaries’ autonomy in determining HR-policies impact subsidiaries’ shareholder and stakeholder performance?**

The research question is answered through statistical analyses, and the results are triangulated with qualitative data from interviews with subsidiary HR-managers to enhance the confidence in the quantitative findings.

The study shows that subsidiary autonomy in determining pay & performance policy does not impact neither shareholder nor stakeholder performance significantly. In fact, the relationship with shareholder performance seems to be negative, which suggests that pay & performance-policies for managers determined by the parent company leads to better shareholder performance; however the result is not significant. This is also the case in relation to autonomy in determining employee involvement & communication, which does not impact shareholder and stakeholder performance significantly. Yet, autonomy in determining employee involvement policy seems to have an inverse relationship with shareholder performance. On the other hand, subsidiary autonomy over training & development policy has a significant and positive impact on both shareholder performance and stakeholder performance. Finally, subsidiary autonomy in determining policy towards trade unions has the strongest significant impact on shareholder performance; however, the impact on stakeholder performance is insignificant.

In conclusion, autonomy in determining HR-policies is not unequivocal, and the impact seems to depend both on the specific HR-policy area and the kind of subsidiary performance.
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1. Introduction

Globalisation creates a need for internationally engaged firms to operate more effectively to gain competitive advantages, and an important contributor in optimising organisational effective operations is the human resource management (HRM)-function (Schuler, Dowling et al. 1993, Guest, Michie et al. 2000a, Guest, Michie et al. 2000b). The HRM-function develops and motivates employees to create skills, knowledge, and innovation needed for the firm to compete with foreign companies (Singh 2003). For this reason, the HRM field has been the subject of many studies, and concurrently with the increasingly globalised business environment, an amplified focus on the field of international human resource management (IHRM) has been witnessed (Dowling, Schuler 1990, Brewster 1991). This research shows that when a business competes in an international context, effective IHRM is a contributor to firm efficiency and a critical element for survival (Schuler, Budhwar et al. 2002). However, the challenge for international companies is how to apply management approaches from headquarters and at the same time to adjust them locally (Bartlet, Ghoshal 1991). Hence, the MNC must design HR-systems that balance the needs of both local responsiveness and global integration, which is a balance that has implications for performance (Schuler, Dowling et al. 1993). Accordingly, many multinational companies (MNCs) have decided to grant considerable autonomy to their subsidiaries in relation to creating their own HR-systems for strategic reasons (Kostova, Roth 2002, Myloni, Harzing et al. 2004, Noorderhaven, Harzing 2003). Yet, Taylor et al., (1996) clarify that some HR-policies might be very context specific while others can be context generalisable and, accordingly, can be used successfully in other contexts. However, it is not specified which and how HR-policies can be transferred and therefore further research within this field is needed (Almond, Clark et al. 2004). Consequently, it is relevant to examine whether some HR-policies should be determined by the subsidiary itself or by the parent company in order to impact firm performance positively. Besides, there is also a general research gap in relation to linking international HRM empirically with financial and firm performance in individual business units e.g. subsidiaries (Becker, Huselid et al. 2001, Park, Mitsuhashi et al. 2003). Hence, it is appropriate to study this link at subsidiary level, as it is at this level that the degree of autonomy over HR-policies, and division of power can be detected in relation to the parent company and consequently where the balancing between global and local needs takes place. Furthermore studying the link between subsidiary autonomy and subsidiary performance in a Danish context, might give insight into how IHRM can be organised optimally in a coordinated market economy (CME). Hence, it will constitute an appreciated and nuanced supplement to much research carried out in the USA (Guest 2001).
In Denmark, foreign owned subsidiaries\(^1\) account for a substantial part of larger MNCs compared to Danish owned MNCs\(^2\), and accordingly constitute a big part of the Danish workforce and Danish economy in general (Nielsen, Hansen et al. 2009). However, in recent years the productivity of the Danish workforce is at the very bottom compared to the other OECD-countries, and productivity needs to be improved mainly through managerial initiatives and effective use of the employees and their skills (Ennova 2011).

These challenges lead to the purpose of this project, which is to examine how subsidiary autonomy in determining HR-policies within selected HR-areas can affect subsidiary performance – more specifically, labour productivity and performance in relation to customers and employees. Furthermore, the aim is to clarify the relative impact of subsidiaries’ autonomy over different HR-polices to determine how the importance of having autonomy might vary between different HR-polices. This approach will give insight into how MNCs can delegate autonomy, and how MNCs’ HR-polices can be organised to improve firm performance.

These considerations have led to the following research question:

**1.1 Research question**

*RQ*: How do subsidiaries’ autonomy in determining HR-polices impact subsidiaries’ shareholder and stakeholder performance?

More specifically, HR-polices refer to pay & performance policy, training & development policy, employee involvement & communication policy, and policy towards trade unions\(^3\). Also, autonomy refers to HR-managers perceived autonomy over the determination of the subsidiary’s different HR-polices, and not necessarily implemented autonomy over HR-polices (Stahl, Björkman 2006).

Throughout the study ‘subsidiaries’ autonomy in determining’ will be termed ‘autonomy over’ and then the specific policy, although other conceptualisations exist regarding the power distribution between the parent company and subsidiary.

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1 Subsidiaries located in Denmark with parent company abroad.
2 In 2009, the population of subsidiaries in Denmark owned by foreign MNCs counted 304 companies compared to 116 Danish owned MNCs.
3 Implicit in the formulation of the research question is that policy towards trade unions is subsumed under HR-activities.
The research question will be answered by drawing on IHRM-literature and theoretical frameworks, and through statistical analyses of data from the international research project ‘Employment practices in MNCs’ at Center for Strategic Management & Globalization at Copenhagen Business School. The findings will be triangulated with qualitative data from interviews with subsidiary HR-managers. Hence, the main research objective is explanatory and to clarify if and to what degree subsidiary autonomy over certain HR-policies can explain subsidiary-performance, and to explore the value of granting autonomy to HR-managers in MNC subsidiaries. Accordingly, autonomy over HR-policies will be treated as independent variables and performance as dependent variables.

1.1.1 Delimitation

First, the project only focuses on autonomy over the four HR-policies stated above. Thus, there will be other HR-policies that subsidiaries can have autonomy over that are not taken into consideration in this study, e.g. autonomy over selection & recruitment-policies, retention-policies or work-force reduction policies. Furthermore, internationalisation features of the HR-function e.g. the international mindset or the internationalisation degree of practices will not be explored. Additionally, it is important to note that there exist other exogenous (economy cycle, competition, political environment) and firm specific (firm strategy, industry, firm size and age) factors that can influence shareholder and stakeholder performance that are not included in this study e.g. extraneous or confounding variables. Some of these factors are included as control variables, but others are not. Hence, this study only highlights a segment of all aspects that drive subsidiary performance or affect the autonomy-performance relationship.

Secondly, it is important to note that the study does not measure to which degree the selected HR-policies is used in the subsidiaries, but just the degree of autonomy over these.

Third, prospective interactions between having autonomy over different HR-policies will not be analysed, although some theoreticians argue that there are synergies in applying certain HR-practices in combination i.e. systems or ‘bundles’ e.g. Gooderham, Parry et al. (2008). This might also be the case for autonomy over different HR-policies, however, this will not be explored further as the objective of the study is to explore the potential impact of autonomy over HR-policies in itself.

Fourth, regarding causality, it is important to notice that the causal direction between the analysed independent and dependent variables is presumably not unambiguous. In other words, although the implicit assumed causal direction in this study design is that autonomy over HR-policies affects subsidiary
performance, it might be that subsidiary performance affects the degree of autonomy over HR-policies of the subsidiary (see model 1 for an overview).

Fifth, intervening and mediating variables (e.g. attitudinal and behavioural processes through which autonomy over the selected HR-policies affect subsidiary performance) are not part of the analyses, as this would require data from an individual employee level of analysis (Paauwe 2004).

Sixth, the antecedent variables that affect autonomy over HR-policies will not be treated, but only briefly referred to in the literature review. A full discussion of the factors that impacts and shapes HR-policies and practices in MNCs is beyond the scope of this report.

Seventh, implicit in the strategic perspective on IHRM is also the perception that IHRM activities should be linked to the MNCs’ international strategy e.g. Taylor, Beechler et al. (1996). Due to the scope of this study and limited data about the individual parent companies and subsidiaries’ specific business strategies, this link will not be investigated, as the focus is on linking subsidiary autonomy in relation HR to strategic goals of performance. Also some of the activities carried out by the HR-function are not strategic as such and consequently do not relate to performance of the firm, but simply has to do with the administration of personnel related services (Paauwe 2004). These kinds of personnel related services are not part of the scope of this study.

Finally, the MNCs included in this study are all foreign-owned MNCs operating in Denmark, with 500 or more employees world-wide and 100 or more in their Danish operation.

1.2 Structure of Report

The report will include a review of IHRM-research and -literature with focus on literature regarding the relationship between parent companies and subsidiaries and especially the significance ascribed to subsidiaries having autonomy, particularity in relation to countries with different institutional setups. This will subsequently be linked to a brief review of the selected four HR-policy areas and underlying practices as a prerequisite for developing the hypotheses. In the methodology chapter, the particular research design and its philosophy of science basis will be argued for. Furthermore, the data collection process and how the research question is answered will be described. In the result chapter, the hypotheses will be answered and the results of the quantitative analyses will be stated. In the discussion, explanations and implications of the findings will be analysed and discussed, which are followed up in
the conclusion. Subsequently the strength and limitations of the results will be examined. Finally, the findings will be put into perspective in a broader context.
2. Literature & Theory Review

This chapter consists of three sections with three respective purposes. First, the concepts of IHRM, strategic IHRM (SIHRM) will be defined, and the distinction between HR-policies and -practices will be clarified. Second, two significant perspectives on research into IHRM will be reviewed with a special focus on the relation between the parent company and subsidiary, as well as subsidiaries’ autonomy over HR-policies and how it relates to subsidiary performance. Also, subsidiary performance will be defined. Finally, theories related to the dependent and independent variables will be reviewed to give insight into the HR-policy measures of this study, and subsequently the hypotheses will be constructed.

2.1 International Human Resource Management and the Link to Strategy

The notion that HRM can be an organisational source of competitive advantage and can affect firm performance is part of the increased strategic focus in the field of HRM named strategic human resource management (SHRM) (Park, Mitsuhashi et al. 2003). This strategic focus is similarly taking place in the field of international HRM, where IHRM is linked to the strategic needs of the firm (Schuler, Dowling et al. 1993). IHRM can be defined as “The set of distinct activities, functions and processes that are directed at attracting, developing and maintaining an MNC’s human resources. It is the aggregate of the various HRM systems used to manage people in the MNC, both at home and overseas” (Taylor, Beechler et al. 1996:960). Accordingly, IHRM-research is often about studying various HR-activities in MNCs, and how the relationship between the parent company and its subsidiaries affects how HR-policies and practices are managed across countries (Almond, Clark et al. 2004). Within the IHRM-system there is “… a distinction between HRM policy on the one hand, and HRM practice on the other […] whereas companies might find it feasible to have company-wide policies, they might find it unavoidable to be responsive to local conditions when it comes to HRM practices.” (Tayeb 2001: 332). In this project, policies will therefore be considered a precursor to practices, as practices are the practical outcome of HR-policies.

The strategic focus of IHRM and its implications for firm performance has led to the research field of strategic IHRM (SIHRM), which can be defined as the “human resource management issues, functions, policies and practices that result from strategic activities of multinational enterprises and that impact the international concerns and goals of those enterprises” (Schuler, Dowling et al. 1993: 422). This definition

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4 According to Stahl & Björkman (2006) IHRM regards the same activities as domestic HRM, but on a much larger scale.
5 See definitions in section 2.2.2.1
of SIHRM implies that the HR-function and IHRM-policies impact the goals of the enterprise, in this case the MNC-subsidiary, and that HRM should be a strategic activity from an international perspective. Since firm performance is a goal for MNCs, it is implicit in this SIHRM definition that IHRM activities should impact firm performance. Furthermore, SIHRM is about developing HR-policies and -practices that are in accordance with the corporate approach but at the same time locally responsive (Schuler, Dowling et al. 1993). This conceptualisation is in line with the purpose of this study which will indicate the relative strategic importance of the autonomy over certain HR-policies in relation to the MNC goal of firm performance. As such, it will illuminate the significance of this widely discussed aspect of IHRM, and how it can be used strategically.

2.2 Review of Research Approaches to HRM in MNCs

Research within HRM in MNCs is often part of either a comparative or international perspective, and belongs to respectively institutional and strategic research traditions, which focus on different aspects of HRM (Almond, Clark et al. 2004). Comparative HRM is about the distinctiveness of HRM in different countries and how national institutional systems affect HRM-practices, and make them country specific. The international perspective on HRM (IHRM) is concerned with the MNC’s management of geographically dispersed employees in relation to gaining both local and global competitive advantage through HRM. In this regard, it is to a greater extent assumed that organisations have a strategic choice that enables them to choose the best way of organising their human resources in relation to organisational structure, strategy and the business environment (Paauwe, Farndale 2006). Thus, in recognising the business environment as an exogenous factor, there is an overlap with the comparative approach to research, since environmental constraints are recognised, however, these are often under-emphasised. In the international strategic perspective, the starting point is the competitive environment, and not the institutional. In this way the IHRM-perspective is said to provide universal ‘best’ ways of arranging the HRM-function (i.e. models of IHRM, policies and practices that fit the competitive context), and is in this way neglecting the specific competitive context including these institutional environment (Almond, Clark et al. 2004).

Therefore, it can be argued that it would be beneficial to integrate these two perspectives instead of letting them be in opposition to each other, in order to get a broader understanding of HRM-processes in MNCs. In other words, a combination can incorporate both the aspect related to how HRM differs across countries, plus the focus on gaining both local and global competitive advantage through strategic choices and the organisation of HRM. Hence, this integrated approach incorporates the aspect that both
institutional and business strategy choice factors impact HR-policies and accordingly the HR-performance link (Paauwe, Farndale 2006)

Thus, in this study, an effort is made to bring these two perspectives together, in the sense that the focus is strategic and focus on the management of geographically dispersed employees in subsidiaries relative to the parent company. But at the same time, the study incorporates the perspective, that there can be great needs to take different countries’ specificities and institutional setups into account to be able to achieve a competitive advantage. However, it should be noted that this study mainly comply with the international perspective, as comparative HRM is inherently occupied with comparing HR-practices between companies in different countries, whereas the international perspective studies how human resources are managed in MNCs. Yet, the comparative perspective offers the insight that, how HR-policies are interpreted across countries is a critical issue for the HR-function in MNCs (Almond, Clark et al. 2004). This aspect is to a larger degree integrated into the international perspective in this study. In line with this, it can be argued that in order to adopt a strategic perspective and its focus on gaining competitive advantage both locally and globally, it is necessary to incorporate parts of the comparative perspective into it, since the comparative perspective indicates the need to be able to adapt HRM in different contexts due to institutional setups. This will be achieved by analysing how the ability of Danish subsidiaries to determine the way of managing human resources in a Danish context relates to the strategic goals of shareholder and stakeholder performance. Therefore, the aim of integrating these research approaches to HRM in MNCs is to illuminate, how important the subsidiaries’ ability to adapt HR-policies to their environment and institutional factors is, in relation to achieving strategic goals of the MNCs i.e. shareholder and stakeholder performance(Paauwe 2004). Therefore, within this integrated approach, it is relevant to clarify the relative importance of having autonomy over different HR-policies for subsidiaries in relation to local subsidiary performance. In this way, a very central and requested theme in IHRM is explored in this study (Paauwe, Farndale 2006). This is done by examining how MNCs with subsidiaries in certain countries (in this case Denmark) might benefit strategically from giving autonomy to subsidiaries over determining local HR-policies and thereby reach the strategic goals through incorporating the institutional perspectives’ insights by enabling subsidiaries to adapt to local conditions in relation to HRM.

2.2.1 Strategic International Human Resource Management
One of the key issues in IHRM is the discrepancy between the conflicting strategic demands for either globalisation or localisation (Prahalad, Doz 1999). ‘Globalisation’, in this context, refers to the fact that
MNCs can sometimes have competitive advantages over national firms based on their capacity to leverage resources globally, and consequently some degree of coordination and integration can be required. This is often achieved through standardisation of HR-policies and practices. On the other side, the competitive and institutional environment can place a need to be locally responsive (Almond, Clark et al. 2004, Stahl, Björkman 2006, Beardwell, Holden et al. 2004). Therefore, HRM in MNCs is often about navigating between these two opposite demands, which respectively can be strategically beneficial under different circumstances. Hence, these two forces influence and shape HRM-policies and practices, and can create diverging strategic pressures for the HR-function in MNCs (Schuler, Dowling et al. 1993). As they conclude, SIHRM is about: “balancing the competing demands of global versus local requirements as well as the needs of coordination, control and autonomy” (Schuler et. al, 1993: 451). This statement is concerned with the control relationship between the parent company and its subsidiaries, and whether HR-policies and practices should be transferred to subsidiaries, and if some HR-policies and practices should be either centralised or decentralised. Thus, overall HR-policies can function as general statements that guide subsidiary polices so they are locally sensitive, but still in line with the corporate approach (Almond, Clark et al. 2004). The argument is that on one side, HR-policy needs to fit corporate policies for employees to be considered an organisational resource instead of only a subsidiary resource. On the other hand, Schuler et al. (1993) argue that HR-policies must meet the local cultural and strategic demands for the MNC to be flexible and adaptable to local conditions.

Adding to this view, Taylor et al. (1996) propose that MNCs can leverage resources at subsidiary level, which can contribute to competitive advantage. Hence, it can be argued that, if subsidiary HR-processes create value for the subsidiary, it can also be considered an overall organisational resource for the MNC. Hereby Taylor et al. (1996) employ the resource-based view of the firm (Barney 1991) in relation to HR-matters, indicating that HR can help develop strategic competences that are valuable, rare, imperfectly mobile, and inimitable (Taylor, Beechler et al. 1996) and hence create competitive advantages. In fact they that: “The HRM function is unique because both the outputs (the employee behaviors) of the system and the system itself are potential sources of competence.” (Taylor et al., 1996: 963). Therefore, the organisation of the HR-system can be a source of unique competence and for this reason, it is relevant to study the impact of subsidiary autonomy in relation to performance. In addition, Schuler et al. (1993) points out that the ability to balance these forces through the design of a SIHRM-system, can have performance implications for both the subsidiary and MNC.
Regarding the balance between globalisation and localisation Taylor et al. (1996) points out three orientations of SIHRM\textsuperscript{6}: the exportive, adaptive, and integrative orientation towards corporate, subsidiary and employee-group level HR-policies and -practices. Exportive being very determined by the parent company, adaptive being primarily determined in the subsidiary and integrative being in between the first two. These different orientations might influence whether country contexts are converging or diverging, since this have consequences for how employees are managed. In producing standardised HRM-systems, MNCs can drive convergence across countries since national business systems react to international economic dynamics (Almond, Clark et al. 2004). However, the existence of different institutional systems, propose that pressures from globalisation does not necessary transform national business systems and accordingly approaches to HRM (Hall, Soskice et al. 2001). This can necessitate that subsidiaries should be able to adapt locally and cannot use corporate, global or standardised approaches to HRM.

As such, Taylor et al. (1996) discuss these three forms of SIHRM, and point out that MNCs can follow different strategies in relation to integration, differentiation and a balance between these two ends. However, in relation to choosing an approach they only indicate that it should follow the firms international strategy, and that that the MNC should transfer HRM-competences that key corporate decision makers perceive are context generalisable\textsuperscript{7} (Taylor, Beechler et al. 1996). Yet, it is not clarified which HRM-competences are generalisable and which are context specific.

Furthermore, Taylor et al. (1996) do not indicate guidelines in relation to which forms leads to better performance under which circumstances. Hence, the answer is probably not unequivocal, and dependent on the context, which presumably points to the suggestion that MNCs should allow for some flexibility regarding HR-policies and local adaptation of policies.

However, they make a distinction between the notion that some HR-practices can be shared and some need local adaptation, which is central to the focus of this study. However, the model is not specific about what can be transferred and how (Almond, Clark et al. 2004). Furthermore, Taylor et al. (1996) make a distinction between which occupational groups are critical to the company and can create value for both the subsidiary and the MNC. Consequently some HR-policies can be transferred in relation to

\textsuperscript{6} These are based on work by Hedlund, 1986; Perlmutter, 1969; Rosenzweig & Nohria, 1994; Rosenzweig & Singh, 1991.

\textsuperscript{7} Taylor et al. (1996) notes that some HR-practices are context specific, whereas others are context generalisable.
some employee groups while other can be localised in relation to other employee groups (Taylor, Beechler et al. 1996). The argument is that parent control will be higher in areas regarding the employees that are most critical to MNC-performance, and hence these employee groups can be considered more important for gaining competitive advantage.

These two aspects are implemented and explored in this study in distinguishing between the autonomy over different HR-policies and between different employee groups. However the latter aspect is slightly touched upon in relation to pay & performance policy, as the questionnaire solely includes this distinction in relation to the specific policy.

An overview of these interactions and causalities are outlined in model 1⁸.

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**2.2.2 The Context & Institutional Environment in Relation to Subsidiary Autonomy**

As stated above, the institutional approach of comparative HRM research offers understandings of cross-national differences in HR-practices, and underline that differences in national business systems create differences in HR-practices in dissimilar countries (Maurice, Sellier et al. 1986). Hereby, it diverges from the ‘one best way’ perspective in acknowledging that national rules and understandings affects the

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⁸ Included in this model are several aspects that affect the balance between parent company control and the degree of subsidiary autonomy (Fenton-O’Creevy, Gooderham et al. 2008).
nature of employment relationships (Almond, Clark et al. 2004). This accentuates the need to study SIHRM in different types of economies, to broaden the insight into how MNCs can work strategically in different contexts.

As indicated, both Taylor et al (1996) and Schuler et al. (1993) have incorporated the role of national institutional factors in relation to the impact on IHRM-policies and practices, and the degree of parent company control versus subsidiary autonomy. However, even though Schuler et al. (1993)’s framework recognises the importance of the national context, these are not clearly specified. Nevertheless, they argue that environments that are uncertain or with high economic risk, require more control from the parent company, and that complex legislative circumstances in relation to labour relations, might demand greater autonomy at subsidiary level (Schuler, Dowling et al. 1993). This is because the MNC will have to comply with legal and collective employment regulations9 of the host country which consequently affects HRM. Accordingly MNCs with subsidiaries in countries with strong collective regulation of the employment relationship will tend to move away from home country practices (Fenton-O’Creevy, Gooderham et al. 2008).

Hall & Soskice (2001) build further on the institutional approach, by distinguishing between liberal market economies (LMEs) and CMEs, and how these create different national types of corporate strategy and institutional comparative advantage. These variations in economical systems creates differences in HRM-practices mainly regarding pay policy, employee training policy and degree of job security, for firms in respectively LMEs and CMEs due to the different institutional structures (Fenton-O’Creevy, Gooderham et al. 2008). In LMEs, there can be considerable pay differentials within industries, training is very firm specific, and it is possible to dismiss employees for economic reasons. However, in CMEs, much negotiation over pay happens at industry level (often through trade unions), training is typically not just firm specific but also industry specific, and there are long-term labour contracts and greater security against sudden dismissals (Fenton-O’Creevy, Gooderham et al. 2008).

Additionally, it is argued that, especially from a western European perspective, many HR-activities need to meet the local demands related to legislation and institutions, and therefore autonomy over HR-practices can be considered necessary to adapt locally (Paauwe 2004). Furthermore, it is reasoned that effective HR makes quick changes in practices possible and is flexible, because it allows the company to benefit from unexpected marked opportunities, and to react quickly to marked changes e.g. because of

9 These country regulations can actually be considered both a constraint and a resource, as e.g. an advanced vocational training and education system can work as a resource for a foreign MNC.
changes in export markets, political interventions or boycotts. Based on these arguments one can presume that a high degree of autonomy, and less control exercised by the parent company, is appropriate for subsidiaries based in Denmark in relation to subsidiary performance.

For these reasons, it is interesting to study if a high degree of subsidiary autonomy is imperative because of the institutional frameworks in CMEs. But also to indicate, whether autonomy over different HR-policy areas emerges as particularly important in relation to the two different performance measures.

2.2.2.1 Subsidiary Performance

Subsidiary autonomy over HR-policies are related to two different kinds of subsidiary performance i.e. shareholder and stakeholder performance in order to give a more nuanced picture of the importance of the impact of autonomy over HR-policies on different performance dimensions. This distinction may also give an indication of focus areas that are more long-term oriented, than solely short term financial goals. By considering stakeholder performance, it takes the organisational needs to balance the tension between generating performance today and more long term goals into account (Golding 2004).

Shareholder Performance

The first kind of subsidiary performance is termed shareholder performance to capture the notion that investors require objectively measured financial performance (Guest, Michie et al. 2000b, Guest 1987), and to make a distinction to the other performance measure that covers performance in relation to other stakeholders.

In this study, shareholder performance is conceptualised as labour productivity (which can be defined as total output divided by labour inputs (Samuelson, Nordhaus 1989)), because productivity indicates how efficient the company’s human capital is in creating output. However, even though labour productivity does not necessarily entail long-term profitability, it is considered a needed condition (Guthrie 2001), and Bryan (2007) argues that productivity is a main driver of profits in larger companies. Therefore, labour productivity is a good indicator of shareholder performance when related to HR-activities.

Stakeholder Performance

In addition to shareholder performance, stakeholder performance is also considered because the shareholder perspective is limited to only focusing on an economic rationality (Guest 2001, Paauwe 2004). Therefore, it is necessary to have a broader perspective on performance, which also incorporates relational rationality. Relational rationality can be defined as “the development and maintenance of sustainable relations with all the relevant stakeholders, not just customers and shareholders. Maintaining
relationships should be an end in itself” (Paauwe, 2004: 67). This description of relational outcomes will be applied as a conceptualisation of stakeholder performance in this study. This means that the firm’s relations with e.g. employees (i.e. stakeholder) should be a goal in itself for HR-activities, and not just a means to an end. Furthermore, it is necessary to have stakeholder performance as an equal goal as shareholder performance, since focusing stakeholder performance can help obtain strategic economic performance in the long term, and not only focusing on short term economic results (Paauwe 2004). It should be noted that shareholders are also stakeholders, however, in this study, there is a distinction between shareholders that more one-sidedly looks at economic performance as such, whereas other stakeholders might value other aspects of firm activities (Besanko, Dranove et al. 2007).

Hence, HRM is about satisfying different stakeholders such as trade unions, customers and shareholders, but especially employees with regards to e.g. rewards, training & development, and participation through the HR-system (Paauwe 2004). Therefore, HRM is not only about generating profits or optimising economic performance as some research models within the field highlights as part of HRM’s justification (e.g. Huselid, 1995; MacDuffie, 1995; Arthur, 1994), but is inherently also about the satisfaction of multiple stakeholders. As such, it is necessary for HRM to work on relations as part of achieving strategic objectives of economic performance. An additional reason for implementing this type of performance is that the interplay between these two forms of rationality can contribute to attaining competitive advantage (Paauwe 2004).

2.3 HR-policy Areas – Development of Hypotheses

Based on the arguments outlined in section 2.2, it is generally hypothesized that overall subsidiary autonomy over HR-policies will lead to better firm performance both in relation to shareholders and stakeholders. Yet, the underlying features of each HR-policy area measured in this study will be described below, to give insight into the four policy areas, and how they relate to performance, as well as indicating how subsidiary autonomy might differ in importance according to different HR-policy areas.

2.3.1 Pay & Performance Management

Performance management can be described as “a cycle consisting of five elements: setting performance objectives, measuring outcomes, feedback of results, rewards linked to outcomes, and amendments to objectives and activities” (Doyle 2004: 372). Within this cycle, performance related pay, such as bonuses and rewards in the form of shares and performance appraisal, are key components. Furthermore, performance appraisal is used for setting objectives and giving feedback in relation to performance (Hendry 1995). Generally, pay and performance management is linked to overall organisational strategic
goals, through breaking down strategic objectives into individual goals, and in this way presenting a link between organisational and individual performance (Torrington, Hall 1991). The purpose of setting these objectives is to monitor, direct, audit, and motivate individual performance, and to develop a committed and loyal workforce. Performance management systems is often used in relation to development of management, where performance appraisal is used to identify development needs and for giving feedback to managers about their levels of performance, and to reward the achievement of higher levels of competence (Pointon, Ryan 2004).

As mentioned, rewards are linked to outputs, which can be done through applying variable payment schemes. The idea is that variable payment schemes (performance-related pay) make employees identify more easily with organisational goals by linking compensation to overall organisational performance or individual performance (Pointon, Ryan 2004). This might include that employees get a commission and share in the gain when the organisation performs well (Kellaway 1993). Rewards and bonuses can be given to employees through financial participation, using e.g. employee share ownership schemes to link rewards of individuals to the overall firm or the business units (Holden 2004).

In Denmark, pay is a fairly regulated area with collective agreements on industry level (Fenton-O’Creevy, Gooderham et al. 2008). Therefore, in combination with the pay & performance management theory, the following hypotheses are put forward:

\[ H_{1a} \]: There is a positive relationship between subsidiaries’ autonomy in determining pay & performance policies and shareholder performance

\[ H_{1b} \]: There is a positive relationship between subsidiaries’ autonomy in determining pay & performance policies and stakeholder performance

2.3.2 Training & Development

Training can be defined as “...activity leading to skilled behaviour” (Princeton, 2006), whereas “development[...]is the process of becoming increasingly complex, more elaborate and differentiated, by virtue of learning and maturation.” (Beardwell, Holden et al. 2004: 273). The training and development of human resources have increasingly been recognised as important due to the rise of overseas competition, and the success of economies that invest in employee development. This has made employers realise that success partially relies on investment in training and development (Holden 1991). A survey has indicated that training and development of employees are a leading issue in the majority of
HR-departments in Europe which indicates the current importance of training (Brewster, Hegewisch 1993). Hence, within HRM a great emphasis is on the importance of employees’ skills for organisational efficiency and success, and training and development policy is seen as a tool to realise business strategy. This notion is in line with the concept of the learning organisation, where training of individuals can move towards developing learning at organisational level (Pedler, Burgoyne et al. 1997). As such, a learning organisation works intentionally with learning and facilitates learning of all its members at individual, group and system level to make the organisation function in a way that is more satisfying to its stakeholders (Dixon 1994, Dixon 1994). Furthermore, the argument is that an increasingly competitive business environment necessitates the ability to respond quickly to product and market developments, which rely on the mental power of employees and not only their physical capabilities. Thus, there is competition for skilled, adaptable and flexible employees to achieve long-term competitive advantage, through utilisation of the knowledge and talent of the workforce. Also, international competition raises the standards of training to world class levels, which increases the pressure for organisations to live up to these standards in order to survive. (Pedler, Burgoyne et al. 1997). Therefore, organisational learning is believed to create intangible shareholder value (Ulrich, Smallwood 2002). Consequently, learning and development of individuals becomes of strategic importance for the overall organisation, but also for the overall economy. In this way, training and development is important to several stakeholders of the company e.g. the economic nation, shareholders, and the employees themselves.

Based on these arguments, it seems reasonable to infer that subsidiaries ability to respond quickly to market changes and determine training and development policies themselves will enhance performance. Thus:

\[ H_{2a} : \text{There is a positive relationship between subsidiaries’ autonomy in determining training \& development policies and shareholder performance} \]

\[ H_{2b} : \text{There is a positive relationship between subsidiaries’ autonomy in determining training \& development policies and stakeholder performance} \]

2.3.3 Employee Involvement & Communication

Employee involvement (EI) and communication cover a broad range of mechanisms which makes an all-encompassing definition problematic. EI can range from informational mechanisms to organisational democratic systems where employees and management are equal in decision-making. Additionally,
various terms have been connected to the concept of EI e.g. employee participation, organisational communication, industrial democracy etc. which makes a comprehensive definition difficult. EI has historically been associated with the concepts of empowerment\(^{10}\) and participation\(^{11}\), and today EI is used as a generic term that covers most forms of participation (Holden 2004). Wall & Lischerson (1977) note that three aspects are central to participation i.e. influence, interaction and information sharing. This can happen through e.g. EI schemes regarding provision of information, problem solving groups, team work or suggestion schemes (Marchington, Goodman et al. 1992).

An inherent feature of these EI aspects is communication, and effective communication is a very important part of running organisations efficiently whether the communication is one-way, two-way, top-down, bottom-up or across the organisation (Holden 2004). Communication in this context can be defined as: “a complex series of processes operating at all levels within organisations.” (Beardwell, Holden et al. 2004: 544), and can occur through more formal systems or can be informal.

A reason to involve employees is to make employees more committed to the organisational goals by empowering employees i.e. to make them take responsibility for their function in the organisation (Holden 2004). Involving employees in organisational policy making could possibly improve employee motivation and consequently performance. Furthermore, EI should make the employees more creative and interested in their work, and therefore also more productive (Holden 2004). In this way, EI can be viewed as a key instrument in the design of HR-strategies, by implementing employees’ interests in the creation of HR-policies, since employees are regarded a main stakeholder in the company (Beer, Lawrence et al. 1984). However, it is important to note the organisational success of applying EI and communication depends on the content that is communicated to employees and how employees perceive the message. Also, it is important that employees can rely on the information and the regularity of information provision (Ramsay 1992). Furthermore, it depends on whether management implements or take employee inputs into consideration in the end, alternatively the employees can view the participation as a waste of time (Holden 2004).

Since ways of communicating with employees varies significantly across countries (Budhwar, Debrah 2001) and based on the arguments outlined above, the following hypotheses are inferred:

\(^{10}\) Empowerment is a theoretical field in itself and will not be treated here, as focus here is on information flows and communication, and not so much the actual autonomy given to the individual employee by management (Holden 2004).

\(^{11}\) Participation is sometimes associated with industrial democracy and employee representation, such as trade unions (Holden 2004).
There is a positive relationship between subsidiaries’ autonomy in determining employee involvement & communication policies and shareholder performance

There is a positive relationship between subsidiaries’ autonomy in determining employee involvement & communication policies and stakeholder performance

2.3.4 Trade Unions

Trade unions are traditionally part of the IR research field, but in this study they are subsumed termed under HR-policies, as trade union relations are often part of the HR-function’s responsibilities in large MNCs (Beardwell, Holden et al. 2004). A trade union is an organisation that, among other things, unites workers and unions leaders to protect their common interests such as negotiating wages, working conditions and take collective actions to enforce collective bargaining terms. As mentioned, trade unions play a significant role in CMEs including Denmark that is considered to be strongly unionised (Hall, Gingerich 2004). This has implications for HRM-policies in subsidiaries located in Denmark, and MNCs must accordingly adjust HR to local institutional environments with traditions of collective bargaining (Fenton-O’Creevy, Gooderham et al. 2008, Collings, Gunnigle et al. 2005).

It is stated that MNCs with subsidiaries with highly unionised workforces prefer to delegate the management of the subsidiary-union relationship to the subsidiary, instead of imposing central policies, as it is difficult to make detailed labour negotiations from abroad. Also, when subsidiaries are located in countries where trade unions have a strong presence and are well-established, autonomy tends to be granted to the subsidiaries, as central control impractical (Fenton-O’Creevy, Gooderham et al. 2008). An advantage of this can be that local management might draw on their previous relationship with the union and their understanding of the relationship (Ferner, Almond et al. 2004, Hamill 1984). Hence, due to the institutions and the power of trade unions, subsidiary autonomy should be high in CMEs including Denmark (Fenton-O’Creevy, Gooderham et al. 2008)(Cutcher-Gershenfeld 1990). Additionally, it have been shown that larger unionised firms can improve productivity by adopting a cooperative approach to unions, whereas a more adversarial approach entailed lower productivity and lower return on direct labour hours worked ([156 Cutcher-Gershenfeld, J. 1990]).

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12 ([www.businessdictionary.com](http://www.businessdictionary.com))
13 Denmark has tripartism i.e.: “Systems of industrial relations whereby the state, employers associations and trade unions oversee and govern labour market initiatives and related policies, e.g. wage levels and increases” (Beardwell, Holden et al. 2004).
Based on this, the hypotheses are that the subsidiary’s autonomy to decide policy towards trade unions will positively affect stakeholder performance and shareholder performance, as navigating in a highly unionised environment can be a resource demanding task.

\textbf{H}_{4a}: There is a positive relationship between subsidiaries’ autonomy in determining policy towards trade unions and shareholder performance

\textbf{H}_{4b}: There is a positive relationship between subsidiaries’ autonomy in determining policy towards trade unions and stakeholder performance

Model 2 illustrates the hypotheses.
3. Methodology

In this chapter, the research design and strategy will be outlined. Subsequently the research approaches will be highlighted, and afterwards the research philosophy will be discussed and argued for. Finally, the data collection processes will be described, and the measures of HR-autonomy and subsidiary performance will be examined.

3.1 Research Design

The research question will be answered using standard multiple regression analyses on primary data to test the eight hypotheses with the purpose of indicating the relative impact of having autonomy over different HR-policies. The results of these quantitative analyses will be interpreted and explained using primary data from qualitative interviews. The arguments for applying these two methods will be outlined below.

The chosen research design for answering the research question consists of the application of both quantitative and qualitative methods, and hence the study is based on a mixed method strategy (Saunders, Lewis et al. 2007, Bryman, Bell 2003, Creswell 2009). As the objective of this study is explanatory and seeks to explain the relationship between subsidiaries’ autonomy over HR-policies and subsidiary-performance, the quantitative method will predominate to meet the explanatory research objective and to answer the research question (Saunders, Lewis et al. 2007). The qualitative follow up-process serves to get a better understanding of the meaning of subsidiary autonomy over HR-policies. In addition, the qualitative data builds on the quantitative results to broaden the explanations for these results and thereby help support and explain the quantitative results (Creswell 2009). Tashakkori & Teddlie (2003) state that a multiple methods design can be used, if it helps answering the research question better and helps evaluate the trustworthiness of the findings. This is the case in this study, as it tests theory about autonomy over HR-policies in a new way i.e. relating it to two kinds of performance.

More specifically, a sequential explanatory design is applied, as it is stated: a sequential explanatory design “can be especially useful when unexpected results arise from a quantitative study […] In this case, the qualitative data collection that follows can be used to examine the surprising results in more detail” (Creswell, 2009: 211). This design is useful for this study, because the impact of subsidiary autonomy over HR-policies in relation to performance is not well researched, and therefore, it offers the opportunity to go behind the quantitative results and provide further explanations for these. Hence, first theory and the developed hypotheses are tested through the use of quantitative data collected via a
questionnaire survey. Afterwards, interviews with two selected cases offer the opportunity to follow up on potential contradictory results. Consequently, qualitative data are only included in the interpretation of the quantitative results (Saunders, Lewis et al. 2007).

The advantage of this approach is that the quantitative data produce generalisable\(^{14}\) findings about statistical relationships, which are cross-checked with qualitative data to enhance the confidence in the quantitative findings through triangulation (Bryman, Bell 2003, Creswell 2009). Hence, using both a quantitative and qualitative approach in combination gives an extended understanding of the research problem. A disadvantage of both methods can be that respondents might answer on the basis of social desirability in the questionnaire and the interviews (Bryman, Bell 2003). Additionally there can be differences between perceived, intended and implemented autonomy over HR-policies (Stahl, Björkman 2006, Bryman, Bell 2003).

Furthermore, the study is cross-sectional and studies the HR-autonomy-performance link at a single point in time (Saunders, Lewis et al. 2007, Bryman, Bell 2003, Bryan 2007). Therefore, it is not possible to make causal inferences, and conclude which variables cause the others, since there is no time ordering in the variables, as the data are collected simultaneously. Hence, all that can be tested is in principle whether subsidiary autonomy over HR-policies is related to subsidiary performance. If certain relationships are found in the analyses, it is not certain whether it is a causal relationship, or in which direction the causality goes (Bryman, Bell 2003).

3.1.1 Quantitative Method
The study applies a questionnaire survey to collect quantitative data (see section 3.2.3), as it is meets the research objectives of testing the relationships between variables for the defined population of subsidiaries located in Denmark (Saunders, Lewis et al. 2007). Survey data gives a numeric description of the opinions of HR-managers in relation to autonomy over HR-policies and stakeholder performance, which enables statistical analysis about the relationships to be made (Saunders, Lewis et al. 2007, Creswell 2009). In this way, the quantitative survey is the leading research strategy (Bryman, Bell 2003).

3.1.2 Qualitative Method
Although the survey is the leading research strategy, the qualitative aspect of the study should not be neglected, as this combined approach serves to provide a more varied knowledge and understanding of how autonomy given to the local subsidiary impacts their ability to influence HR-policies and hereby

\(^{14}\) Depending on the representativeness of the respondents and the response rate.
shareholder and stakeholder performance. Also, the use of qualitative semi-structured interviews as data collection method offers a deeper understanding of how a high and low perceived degree of autonomy over HR-policies can be interpreted. In this respect, quantitative data cannot always stand alone, as it is not unambiguous how rated perceived autonomy in the quantitative survey should be understood. Therefore, follow-up interviews are part of the research design (Saunders, Lewis et al. 2007).

As such, this study incorporates benefits from both quantitative and qualitative research approaches, and creates more valid and strong results than either qualitative or quantitative research could have produced individually. The value of qualitative research lies in shedding light on the particularities, and hence supplements the quantitative generalisable findings well (Creswell 2009). Furthermore, it is stated that more mixed methods research are needed within the IHRM-field (Stahl, Björkman 2006).

3.1.3 Research Approaches
The study is primarily deductive as it has the following characteristics: First, existing SIHRM-, IHRM- and HRM-theories are used to develop hypotheses about the relationships between autonomy variables and performance variables. The hypotheses are expressed in operational terms and it is specified how the concepts of autonomy over HR-policies, shareholder performance and stakeholder performance are defined and measured (see section 3.3). In this process, the principle of reductionism takes place, as the concepts in the research question are reduced to more simple items, in order to better understand and operationalise the problem. These hypotheses are subsequently tested using statistical methods to explore the proposed relationships between the autonomy and performance variables. The statistical tests will either confirm the hypotheses or indicate a need to modify or adapt these theories (Robson, C. 2002). Second, controls are included in the statistical model, in order to ensure that any change in shareholder and stakeholder performance is a function of autonomy over HR-policies, rather than other organisational characteristics or factors that could influence shareholder and stakeholder performance. Third, the study applies a very structured primary methodology (i.e. a questionnaire), which facilitates replication to assure reliability (Gill, Johnson 2002). Fourth, in order to be scientifically stringent, deduction states that the researcher ought to be independent of what is being (Robson 2002) studied. This requirement is partially fulfilled in this study, as the study involves the use of a questionnaire web-survey (Saunders, Lewis et al. 2007). However, there is an aspect of subjectivity in the choice of questions and wording included in the questionnaire, which might distort the level of independency of the studied object, as framing and wording might affect the studied object. However, in
this study, this issue of subjectivity is as far as possible reduced, since the questions in the questionnaire are chosen and phrased by several researchers, and the questionnaire has been tested in other countries. Finally, the statistical generalisability of the findings is important in deductive research. In this study, the whole population of foreign owned MNCs in Denmark are being studied, as the questionnaires are send out to the whole population\textsuperscript{15} within the defined criteria. Hence quality the generalisability of the findings will rely on the response rate and the representativity of the respondents\textsuperscript{16} (Saunders, Lewis et al. 2007).

An alternative approach that could have been used to answer the research question is induction. Since the deductive approach has its origins in natural sciences, where laws of prediction and explanation are dominant, researchers within the social sciences have been cautious to apply deduction in social science settings, because they are critical towards making cause-effect links between variables of social phenomena. Answering the research question using an inductive approach could have illuminated certain aspects of the HR-autonomy-performance relationship, which existing theories do not capture and subsequently new theory formulation could take place. A criticism of the deductive research approach is that it tends to use a rigid methodology, which inhibits generation of alternative explanations of the studied phenomenon, due to the choice of theory and hereof developed hypotheses which limit the scope of explanations (Bryman, Bell 2003). This is partly the case in this study as only four autonomy measures are included in the statistical model. Supposedly using an inductive approach could have identified other aspects of HR-policies (e.g. autonomy over recruitment and selection procedures) as an important explanatory autonomy factor for subsidiary performance. Furthermore, more detailed facets of the selected HR-areas could have been discovered as particularly important for subsidiary-performance.

However, this study combines both approaches, as induction is part of the follow up interview process since combining the two approaches is often advantageous. First, it allows identifying why autonomy is important, and why certain aspects of autonomy are considered important by HR-managers consider important. Second, it offers the opportunity to get knowledge about the practical reality that HR-managers face in MNC subsidiaries, and hereby get a clearer understanding of the actual context.

\textsuperscript{15}Hence no sampling procedures are used. The quality of the findings will therefore partly depend on the quality of how the population was identified (Saunders, Lewis et al. 2007).

\textsuperscript{16}This issue is further discussed in the results section 4.1.
In this way, the advantages of both research approaches are incorporated in the study, which allows for more robust findings (Saunders, Lewis et al. 2007).

3.1.4 Philosophy of science

The design reflects a pragmatic worldview, which can be defined as “an ontological position that argues that the most important determinant of the research philosophy adopted is the research question, arguing that it is possible to work within both positivist and interpretivist positions. It applies a practical approach, integrating different perspectives to help collect and interpret data” (Saunders et al., 2007: 607). Hence, it is not committed to certain research philosophies, and implies that it is possible to work with both a positivist and interpretivist philosophy at the same time, which is the case for this study using a mixed method design. In other words, research philosophy should be determined by the research question, instead of letting questions of epistemology and ontology guide research methods regardless of the research problem (Saunders, Lewis et al. 2007, Creswell 2009).

Some theorists criticise the combination of quantitative and qualitative approaches to research (e.g. Hughes, 1990; Smith, 1983; Smith & Heshusius, 1986), since the two research methods have different epistemological and ontological positions and obligations. Therefore, these two approaches have different opinions on what knowledge is and how collection of knowledge should be carried out. Often quantitative method is ascribed to an objectivistic worldview, while the qualitative methods are assigned to a constructivist view of the world. However, it can be discussed whether the use of both quantitative and qualitative research approaches is so contradictive that it does not make sense to combine the two methods (Bryman, Bell 2003).

Firstly, the argument that the two methods belong to different and incompatible paradigms is not entirely clear. Bryman & Bell (2003) argues that the contrasts between qualitative and quantitative method are smaller than often indicated. For example, numerical measurement of frequencies also applied in qualitative analysis (Stiles 2001). Both methods can set up an artificial situation\textsuperscript{17} for the studied objects, and both methods can be applied for hypothesis testing (Bryman, Bell 2003). Hence, it can be argued that the contrasts between the two methods are not that big. A further argument for the

\textsuperscript{17} E.g. an interview setting or a questionnaire survey.
application of a mixed method strategy is that the combination of more methods gives a more comprehensive picture of the studied object\textsuperscript{18} (Mintzberg, Ahlstrand et al. 1998).

Actually the conception of a pure research approach e.g. consisting of a pure ontological approach; a pure deductive or inductive approach; a pure descriptive or interpretative approach, is not consistent with studies of complex organisational settings. Theorists like Bruno Latour and Steve Wolgaar did not, according to Torben E. Jensen, have a pure research approach in ‘Laboratory Life – The Social Construction of Scientific Facts’: “It is because of\textsuperscript{[It is because of]} the ongoing work with introducing new ontologies and reorganising data, that the research’s scope and internal consistency grows all the way... ontological puritanism and self imposed constraints is therefore not necessarily a more productive strategy...” (Jensen, 1999: 13).

Therefore, the design of the study is a combination of quantitative and qualitative method.

3.2 Data Collection Process

In this section, the entire data collection process of the study will be described in chronological sequence.

3.2.1 Creating the population of foreign owned MNCs in Denmark

Before creating the population, a foreign owned subsidiary was defined as follows: “All wholly or majority foreign owned corporations operating in Denmark, with a minimum of 500 employees worldwide, and a minimum of 100 employees in Denmark”. Furthermore, in cases with more than one subsidiary in Denmark, the largest subsidiary at the highest organisational level had to be identified. Based on these criteria, the population of subsidiaries should be created, as the already existing lists of MNCs were neither comprehensive nor accurate. Consequently, it was necessary to create a new accurate list of foreign owned subsidiaries to be able to carry out a representative study of foreign owned subsidiaries in Denmark. This was done through the use of several databases to validate the accuracy of the included subsidiaries in the fall 2008. For a thorough description of this process, see appendix 1.

After having identified a population of 358 companies, contact information (name of the HR-manager, e-mail-address and phone number to the company) were collected through Amadeus and in a few cases

\textsuperscript{18} This can also be the reason for the growing simultaneous application of the two methods in scientific research, which Scandura & Williams (2000) document by mapping the frequency of scientific articles that applies mixed method research (Scandura, Williams 2000).
GreensOnline for each company. However, the name and e-mail-address of the HR-managers were often not available, and accordingly, it was necessary to make a final screening of all the companies by telephone so that the web-based questionnaire survey could be send directly to each HR-manager.

3.2.2 Screening of the MNCs and HR-managers

The identified population of companies was screened to assure the validity of the included companies, and at the same time to identify HR-managers and their personal corporate e-mail-addresses. In the screening process, it was also assured that the identified subsidiaries were at the highest organisational level in Denmark. The screening was done in the beginning of 2009 by calling the 358 subsidiaries and asking for the organisational level, and the name and e-mail-address of the HR-manager. In cases where information about the name and e-mail-address were already included in the data, these were validated. In some cases, the name did not correspond to the current HR-manager, and hence the name and e-mail address of the new HR-manager were informed. In the majority of the cases, the contact information were given straight away by receptionists without any problems. In some companies, it was necessary to talk to the HR-manager in person to explain the purpose of the research in order to get the contact information. In these cases, the direct phone number to the HR-manager was given, which was saved for the follow up process. In other cases, there was a barrier of a no-name policy, and it was only possible to get the general company e-mail-address, and trust that the questionnaire would be forwarded to the right person by the receptionist. With less than ten companies, there was the obstruction that they already at this point did not want to participate in the survey. In these cases, the survey was not send to the companies, however, they still count as part of the population.

After the screening process, around 30 companies were deleted from the population as they did not live up to the criteria, according to the receptionist. In most of these cases, this was due to too few employees after workforce reductions because of the financial crises (Pedersen 2011). Also, a few companies were closing down due to bankruptcy.

3.2.3 Creating the Questionnaire

The questionnaire (see appendix 2) which is used in the web-survey originates from the international research project ‘Employment Practices of Multinational Companies in Organisational Context’, where parallel surveys have been conducted in Canada, Ireland, United Kingdom, Spain, Australia, Mexico, and Norway. The name of the Danish part of the survey was “Survey of employment practices of multinational companies operating in Denmark”.

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However, the questionnaire survey has been slightly modified for each country, as all questions do not make sense or fit in all contexts. In the case of the Danish survey, this meant that a few questions were either deleted or changed as they were irrelevant or meaningless in a Danish context. Also the Danish research team added some firm performance questions based on Ngo et al. (1998) Lumpkin & Dess (2001), and Gooderham et al., (2008) to have a performance measure related to different stakeholders.

The advantages of using a questionnaire that has already been used are that the scales and scores have been tested, which should enhance the validity of items and scales, and improve the reliability multiple item measures (Bryman, Bell 2003). As the items and scales have been tested before, this helps ensure the reliability of the collapsed items i.e. the internal consistency of the measures of the constructs. However, it is still important to re-establish reliability for the survey in the data analyses – see section 4.2 (Creswell 2009). For the constructs explored in this study (the four autonomy measures and the stakeholder performance measure) multiple items were used for each measure of the different constructs to improve validity (Bryman, Bell 2003).

It should be noted that, in the questionnaire, ‘autonomy over’ is labelled ‘discretion over the determination over’, however, the meaning is the same.

3.2.3.1 Creating the Web-survey

The quantitative data were collected using Inquisite Survey Software to construct the questionnaire web-survey. A web-survey was chosen as it was most appropriate for the questionnaire, because it uses conditional questions and many of the questions in the questionnaire are better presented and easier comprehensible for the respondent, when presented visually with easy clickable options. Also, it was a more economical way with regards to both time and resources.

To avoid that respondents just scored their scores in the middle, the tables on the autonomy questions were made so that the middle visually did not represent average answers on the Likert-scale (i.e. “some discretion”) but instead “quite a lot of discretion” (see appendix 3). This was done to avoid that the respondents would just go for the ‘middle’ visually when answering the questions. Furthermore, on each page of the web-survey there was a process-bar to indicate how far the respondent was in the survey percent-wise to give the respondent awareness of their progress in the survey (Bryman, Bell 2003). This could have both a positive and a negative effect on the response rate, as the survey is quite comprehensive, and slow progression on the process-bar could have a demotivating effect on the respondent, however, the opposite could also be the case.
3.2.3.2 Pilot Testing

The survey was pilot tested by a group consisting of five people similar to the target group (HR-managers that were not part of the population and some researchers) to ensure that the questions were understandable and perceived relevant by the target group (Pallant 2004). This was also done to assure the quality of the questions included in the final questionnaire and to minimise that the respondents would perceive the survey as irrelevant and protracted. The main feedback was that the questionnaire was too long and time consuming, and that some questions and concepts were difficult to understand. Also, there were inputs to improving the design of the web-survey its functionality, the form of the questions and accordingly a few questions were deleted.

3.2.4 Administering the Survey

After the screening, the population of foreign owned subsidiaries counted 322. The survey invitation (see appendix 4) was sent out to all HR-managers on April 23rd, 2009. Although the HR-managers and according e-mail addresses had been identified in the screening process, there were 48 e-mails that were not delivered. The majority was due to typing errors, others were due to overall organisational e-mail address changes, and in a few cases the wrong e-mail-address was due to the subsidiary employing a new HR-manager since the screening.

In the covering letter accompanying the survey, certain ethical issues were incorporated to respect the participants and to build confidence in the project and hereby improve the response rate (e.g. identification of the researchers and institutions involved, purpose of the survey, and assurance of anonymity and confidentiality) (Sarantakos 2005).

The first reminder was sent out May 5th 2009 (see appendix 5) where a reference was made to the first invitation. However, the invitation also included a direct link to the survey to facilitate the participants’ access to the survey.

3.2.4.1 Reminder by Phone

The follow-up process by phone began May 13th, 2009 approximately a week after the first e-mail reminder to further improve the response rate by getting in personal contact with the HR-managers.

When establishing contact with the HR-managers, the phone script in appendix 6 was followed. Generally, it was attempted to be attentive to the HR-managers needs and reactions and hence go with the flow of the conversation, if new issues that were not in the script appeared. The main strategy was to be friendly and understanding, but at the same time convincing in relation to the importance and the
quality of the project, and how their contribution could help the research, but also contribute to the themselves getting access the results and hence get up to date knowledge about HR in Danish MNCs. In many cases it was necessary to resend the invitation, since the HR-manager could not find the original one.

After the reminder by phone, a 2nd reminder (that referred to the phone conversation to make it more personal) was created and sent out to the ‘resend invitations’ between June 16th and July 9th 2009 (See appendix 7). The people with new HR-people and new e-mail addresses received a new follow up phone call after the 2nd reminder was sent out.

After having been through the list of the population approximately six times, the follow-up process by phone was ceased. A 3rd reminder (see appendix 8) was sent to HR-managers, where it was not possible to get to talk to them because of protective receptionists and restrictive policies. Also, the managers that were never reached after calling them more than approximately ten times received a 3rd reminder, as receptionists often encouraged sending an e-mail instead of calling. 52 HR-managers received the 3rd reminder. These were sent out in the period July 3rd to August 12th. The survey was closed August 31st 2009.

During this reminder process additionally 18 companies were deleted from the population, as it was validated whether the companies lived up to the criteria of having more than 100 employees in Denmark in the reminder process. Hence, the final population size counts 304 companies.

3.2.5 Objective Performance data

After having finished the questionnaire survey, financial data about each company was collected from the database Orbis looking up each company individually, creating a list of financial data from 2009 for all the responding companies. Although parent and subsidiary company names are included in the data, these are kept anonymous and are not published anywhere for ethical reasons (Saunders, Lewis et al. 2007). Also, names of the HR-managers were not part of the collected data, and hence anonymity was maintained (Creswell 2009).

When collecting the financial data, special attention was paid to finding the correct subsidiary that corresponded exactly to what the respondent have put in the questionnaire. This was done to ensure that the financial data covers the operations of the subsidiary that the HR-data is based on. Sometimes the company name in Orbis was not the exact same as stated in the questionnaire, because they operate
under a different alias, or had undergone a name change. In those cases the company was either called
to assure that right subsidiary was picked, or cross-checked with Greens Online database.

### 3.2.6 Qualitative Follow up Process – The Interview Phase

Two cases for the qualitative follow-up were identified through purposeful sampling\(^{19}\) from the
quantitative data, where two\(^{20}\) ‘extreme’ cases\(^{21}\) with either very high or very low autonomy were
identified (Tashakkori, Teddlie 1998). The purpose of these interviews was to get a better understanding
and a more varied knowledge of the actual meaning of high and low autonomy respectively, and about
the subsidiaries relationship with the parent company, but primarily to triangulate the knowledge gained
from the quantitative analyses.

Furthermore, two ‘special’ cases, who by e-mail stated that they were not able to answer the
questionnaire due to special organisational setups, were interviewed to get knowledge about non-
respondents (Creswell 2009).

The selected cases were contacted by phone. The HR-managers that was not reached by phone were
sent a written invitation by e-mail (see appendix 9). When the interview was arranged a confirmation e-
mail with a brief description of the project was send to the participant (see appendix 10). Both e-mail
and the phone conversation included a short presentation of the project and its purpose and the
timeframe of the interview to give the interviewees a notion about the focus of the interview. According
to Saunders (2007), this should promote validity and reliability by giving the interviewee time to consider
information about the researched subject, i.e. subsidiary autonomy over HR-policies beforehand. Also,
contact information for all the involved researches was provided, including a link to the project website
to build confidence.

Semi-structured interviews were chosen to explore the importance of autonomy over HR-policies, as
semi-structured interviews gives some structure over the themes that is explored in the interview, but at
the same time allows for varying, adding, or omitting questions depending on the flow of the interview,
(Saunders, Lewis et al. 2007).

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19 Purposeful sampling picks information rich cases for in-depth investigation (Patton 1990).
20 Creswell (2009) states that when a survey is the primary data collection tool, interviews with a few
respondents from the survey can be sufficient, to get knowledge about the experience of the participants.
21 These were found by calculating the mean of all the autonomy-items, adjusting for companies with
missing data. The companies with the highest and lowest means were selected.
The interviews were conducted face-to-face in meeting rooms or in the HR-managers’ office at the company sites where the HR-managers experience their work days. This setup offered the opportunity to meet the HR-managers in their natural context. The advantages of doing face-to-face interviews are that it allows the researcher to control the line and order of questioning, and the researcher can pursue interesting subjects and perspectives on the problem (Kvale 1997).

As preparation for the interviews, information about the companies was collected from multiple sources on the Internet (articles, news papers, company website, company reports, financial data) to have some background knowledge about the companies, and to accommodate or discard questions from the interview guide if necessary. This should help build credibility and make it possible to ask more specific questions to each organisation and to better assess the information provided by the interviewees (Saunders, Lewis et al. 2007).

Before the interview, there was a briefing of the participants (see the entire interview-guide in appendix 11), telling about the purpose of the research project, giving information about ourselves, assuring anonymity and our roles in the project, and also informing the interviewees that they had the right to decline responding to questions. The briefing also included information about the overall research project, the interview process and the purpose and structure of the interview to build a positive relationship and a trustful atmosphere to enhance credibility, and the ensuing information flow (Saunders, Lewis et al. 2007).

The questions in the semi-structured interview were primarily open-ended and general to obtain broader views and opinions from the participants as the primary purpose was to understand how autonomy works and the impact on performance (Creswell 2009).

The interview-guide was constructed especially for the purpose of each interview, however, the questions in the interview-guide should only be seen as indicative in relation to the different themes covered in the interview, since many more specific questions emerged during the interviews as they unfolded (Kvale 1997). Hence, the interview offered the option to ‘probe’ answers, and get the interviewees to build on previous responses to gain a better understanding of the meaning of their answers (Saunders, Lewis et al. 2007). This enhances validity, as it allows to uncover and understand meanings, and permits new themes to emerge that are not part of the interview guide. In cases where the interviewer was not sure of the interpretation of the interviewee’s statements, supplementary
questions were asked to confirm the immediate interpretation. This was done to ensure that the participant was not misunderstood and accordingly enhance validity (Kvale 1997).

In conducting the interviews focus was also on not disturbing the organisations interviewed, so that the organisations were left undisturbed after the interviews (Creswell 2009). This was done by having a sense of situation, paying attention to the climate and interview person, and thereby not asking inappropriate or offensive questions that would ruin the atmosphere or cause embarrassment (Saunders, Lewis et al. 2007). These ethics were especially an issue in relation to financial and strategic issues and performance related questions e.g. in relation to workforce reductions. In cases where the interviewee revealed information about such matters, guarantee of confidentiality were re-emphasised.

All interviews were conducted and interpreted by the same person (i.e. myself) to minimise observer error and observer bias, as the same approach to asking questions have been applied in all interviews, and all statements have been interpreted in the same way which enhances validity and reliability (Robson 2002). Interviewer bias was aimed to be avoided by having a neutral tone of voice and body language, and by not asking leading questions. However, interviewee bias can still be part of the gathered information, because some interviewees might hold information back about certain issues, and hence might not reveal the full ‘picture’ about the situation. Also interviewees might give answers from ‘social desirability’ motives to make themselves or the organisation look better (Saunders, Lewis et al. 2007).

The interview were carried out in Danish and consequently the transcribed interviews are in Danish (see enclosed CD), yet, all quotes and interpretations used in the analysis and discussion are in English. Anonymity of the interviewees is maintained using aliases in the reporting to protect the participants’ identities.

### 3.3 Measures

In this section, there will be a description of how the included variables have been measured.

#### 3.3.1 Dependent variables

Shareholder performance is defined as labour productivity and is measured as profit per employee because profit per employee captures the contribution made by the employees of the organisation, and hereby captures the knowledge, relationships and other intangibles created by employees (Bryan 2007). It is further argued that profit per employee is a better measure of productivity than the financial measure
ROIC, because this measure does not adequately account for e.g. the contribution of talented employees, and therefore profit per employee is a good proxy for earnings on intangibles (Bryan 2007).

Prior studies have measured labour productivity as sales per employee (e.g. Huselid, 1995; Guthrie, 2001), yet, this is considered an incomplete measure of firm performance, as it does not reflect firm profitability (Boselie, Dietz et al. 2005). However, one should be aware that profit per employee (as well as sales per employee) is affected by non-production factors e.g. price, marketing and logistics. Hence, profit per employee\textsuperscript{22} does not purely measure output (e.g. number of units produced) per employee effort (e.g. number of working hours), but was chosen due to data availability {{21 Boselie,Paul 2005}}. Subsidiary labour productivity is measured as profit over the number of subsidiary employees and these data were extracted from the database Orbis.

In this study, stakeholder performance is measured both in relation to employees and customers since these are regarded main stakeholders in the company (Beer, Lawrence et al. 1984). Stakeholder performance is measured on seven items (see appendix 12 for a full list of all the items included in the study). These seven items have been selected since they relate to the main stakeholders that are considered in this study, and indicates different aspects of stakeholder performance e.g. satisfaction and more general relational aspects cf. Paauwe (2004).

3.3.2 Independent Variables
The subsidiaries’ autonomy over pay & performance policy is measured on four items in relation to managers. Performance appraisal systems and variable payment schemes are included only in relation managers, as it would be erroneous to include both LOG (largest occupational group) and managers in the same measure, as it inherently measures different things in terms of content validity (Creswell 2009). Furthermore, the questionnaire items for managers is chosen since management of this employee group have been shown to be more important for firm performance (Gerhart, Milkovich 1990).

Autonomy over training & development policy is measured on three items related to overall training and development policy, and policy for organisational learning and succession planning\textsuperscript{23}.

\textsuperscript{22} Henceforth profit per employee is termed either productivity or shareholder performance.

\textsuperscript{23} Succession planning is part of an overall human resource planning process where focus is on identifying and training employees to fill key positions and prepare them to take on senior roles (Beardwell, Holden et al. 2004).
Autonomy over employee involvement & communication policy is also measured on three items regarding involvement in work processes through e.g. team work, suggestion schemes and information provision to employees.

Autonomy over policy towards trade unions was measured on two items regarding union recognition and scope of union involvement.

Control variables are included in the model, since they potentially influence the dependent variables, and therefore need to be controlled for, to get a true picture of the influence of the four independent autonomy variables on respectively shareholder and stakeholder performance (Creswell 2009). Variables entered into the models as controls include \textit{subsidiary age, subsidiary size and industry}.

Firm age was included to control for any learning curve advantages in productivity in relation to more established subsidiaries, and advantages related to development of established and successful policies themselves to build stakeholder and shareholder relations (Guthrie 2001). Subsidiary age is measured as number of years since first establishment in Denmark.

Subsidiary size is a control because firm size might be associated with productivity (Guthrie, 2001), and also with more established tested HR-policies determined by the subsidiaries themselves as large organisations tend to use more sophisticated HR-policies (Schuler, Jackson 1995)(Hom, Griffeth 1995). Furthermore, larger firms have more internal labour market opportunities, which can lower employee turnover and hence improve productivity \{(137 Hom, P.W. 1995)\}. Moreover, larger business can often benefit from economies of scale, which will affect productivity (Besanko, Dranove et al. 2007). Logarithm of total assets 2009 is used as a proxy for size, though other size measures exists, e.g. number of employees, however, this was not an option as it is part of the dependent variable in calculating productivity. The logarithm was also taken to improve normality and to prevent that a few large firms would not affect the results disproportionately (Fey, Björkman 2001).

Due to possible industry differences in productivity, this industry was controlled for using a dummy variable as an indicator for service industry\textsuperscript{24} and respondents were classified based on the data extracts from Orbis indicating the primary industry. Furthermore, some surveys have shown that the service industry is the most profitable, and since productivity is measured as profit per employee, service is the industry that is controlled for (Farrell 2008, Korolak 2011).

\textsuperscript{24} 1 indicating the primary industry being ‘service’, 0 indicating ‘other’.
Table 1 shows an overview of how the different variables are scored and measured.

<table>
<thead>
<tr>
<th>Measures</th>
<th>Number of items in questionnaire</th>
<th>Level of analysis</th>
<th>Scale type</th>
<th>Evaluation form</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent variables – Performance measures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholder performance</td>
<td>Not in questionnaire</td>
<td>Organisational level – The specific subsidiary</td>
<td>Ratio</td>
<td>Objective financial data from Orbis – Profit per employee</td>
</tr>
<tr>
<td>Stakeholder performance</td>
<td>7</td>
<td>Organisational level – The specific subsidiary</td>
<td>5-point Likert scale (poor - outstanding)</td>
<td>HR-managers’ perceptions</td>
</tr>
<tr>
<td><strong>Independent variables – Autonomy measures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay &amp; Performance Policy</td>
<td>4</td>
<td>Organisational level – The specific subsidiary</td>
<td>5-point Likert scale (no discretion - full discretion)</td>
<td>HR-managers’ perceptions</td>
</tr>
<tr>
<td>Training &amp; Development Policy</td>
<td>3</td>
<td>Organisational level – The specific subsidiary</td>
<td>5-point Likert scale (no discretion - full discretion)</td>
<td>HR-managers’ perceptions</td>
</tr>
<tr>
<td>Employee Involvement &amp; Communication Policy</td>
<td>3</td>
<td>Organisational level – The specific subsidiary</td>
<td>5-point Likert scale (no discretion - full discretion)</td>
<td>HR-managers’ perceptions</td>
</tr>
<tr>
<td>Policy Towards Trade Unions</td>
<td>2</td>
<td>Organisational level – The specific subsidiary</td>
<td>5-point Likert scale (no discretion - full discretion)</td>
<td>HR-managers’ perceptions</td>
</tr>
<tr>
<td><strong>Control variables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company Age</td>
<td>1</td>
<td>Organisational level – The specific subsidiary</td>
<td>Ratio</td>
<td>Calculated based on year of establishment from questionnaire</td>
</tr>
<tr>
<td>Company Size</td>
<td>Not in questionnaire</td>
<td>Organisational level – The specific subsidiary</td>
<td>Ratio</td>
<td>Objective financial data from Orbis – Total assets 2009</td>
</tr>
<tr>
<td>Industry</td>
<td>Not in questionnaire</td>
<td>Organisational level – The specific subsidiary</td>
<td>Dummy</td>
<td>Coded based on data from Orbis – Service industry</td>
</tr>
</tbody>
</table>

Table 1: Outline of number of items, level of analysis, type of scale and evaluation form for each measure in the quantitative questionnaire survey. The specific wording of each item is included in appendix 12. The four autonomy measures also included ‘Don’t know’ and ‘N/A’ options, which were coded 6 and 7 respectively. These were removed when calculating the mean of the overall measures. Appendix 13 shows the formulas for how the different measures from the questionnaire.
4. Results

In this chapter, the results of the statistical analyses will be stated. Furthermore, descriptive statistics of the data will be presented to provide an overview of the data.

To answer the research question and test the hypotheses standard multiple regression analyses were performed using SPSS. This approach was chosen, because it measures the relative impact of having autonomy over the different HR-policies. Furthermore, this method maintains consistency with many previous studies that uses this method in studying the impact of HRM (e.g. Guthrie, 2001; Arthur, 1994; Huselid 1995)

4.1 Response Rate & Response Bias

The questionnaire survey had a response rate of 28.9% (88/304), which is comparable to response rates from other surveys, where the respondents are managers. Due to missing data on some of the items in the questionnaire, the usable number of responses was 65 (i.e. a 21.4% response rate) in the full models (see table 3 and 4). Reasons for the response rate were found during the reminder process by phone, where the majority said that they did not have enough time or other priorities (see appendix 14). The people who had begun answering the questionnaire but decided opt out primarily stated that the introduction required too much factual information about the company, and that they did not have enough time because the questionnaire was too comprehensive (see appendix 15).

The response rate gives incentive to examine whether the respondents that answered the questionnaire are representative of the population. Therefore, there were checked for response bias in using t-tests. All values were above .05 and no significant difference was found between the respondents of the survey and the overall population in relation to size measured by turnover and number of employees (See appendix 16). For this reason, it is reasonable to assume that the sample is representative of the population of foreign owned subsidiaries in Denmark in relation to these two parameters.

A non-respondent analysis were made in the qualitative follow-up process were interviews made with two non-respondents i.e. companies that stated that were not able to complete the questionnaire due to special organisational setups regarding HR. After further investigation, the interviews revealed that

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25 E.g. Guthrie (2001) had a 27.1% response rate. Furthermore, Baruch (1999) found that response rates from surveys of top managers are substantially lower than response rates from surveys of employees (Baruch 1999).

26 This is somewhat low but compares favourably to studies reviewed by Becker & Huselid (1998) with response rates from 6% to 28% and an average of 17.4%.
these subsidiaries did not differ from the criteria in their organisation of HR, and there is no obvious reason to think that their responses would have changed the overall results substantially. Thus, even though non-response bias cannot be ruled out, these tests increase the confidence of the representativeness of the respondents.

4.2 Validity & Reliability

To get an impression of the validity of the responses given in the questionnaire, a frequency graph over the respondent job title was checked (see appendix 17). It shows that the vast majority are HR/Personnel Directors and HR/Personnel Senior Manager and other top HR-positions. Furthermore, only three HR-managers replied that they had worked for the company in less than one year and the average number of employment years is 5.6. This indicates that the respondents should be knowledgeable enough to answer the questionnaire, and hence the answers should be valid in this regard. Also, the data were checked for errors to make sure that no values fell outside the possible range of values (Pallant 2004).

Regarding reliability, a Cronbach’s alpha reliability check for the internal consistency of the scales was performed for the four autonomy measures and for stakeholder performance. All measures proved to be reliable as all the Cronbach’s alpha values were above 0.7 (Nunnally 1978). See table 2 (page 42) for descriptive statistics of the dependent and independent variables.
Results of Regression Analyses – Testing the Hypotheses

The assumptions for multiple regression analysis were checked for each model and the included variables when performing the analyses. See appendix 18 and 19 for a thorough review of the data in relation to the assumptions for conducting the multiple regression analyses. The multiple regression analyses show that $H_{2a}$, $H_{2b}$ and $H_{4a}$ were supported while $H_{1a}$, $H_{1b}$, $H_{3a}$, $H_{3b}$ and $H_{4b}$ were not supported. Model 5 and model 10 in table 3 and 4 (page 43 and 44) present the multiple regression analyses.

Since the included variables were not normally distributed according to Kolmogorov-Smirnov statistic test of normality, I tried to transform and remove outliers from these variables to improve normality of the variables. Based on the shape of the histograms for each variable the most normal distributions were chosen, and subsequently the best performing models were selected – see appendix 18 and 19. It should be noted that the shareholder performance variable suffered from some outliers which might pull the regression line towards itself. This might produce results that are more accurate for the outliers, but less accurate for all of the other cases in the dataset (The University of Texas, AU).

<table>
<thead>
<tr>
<th>Variables</th>
<th>n</th>
<th>Mean</th>
<th>Std. deviation</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Cronbach’s α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder performance (Inverse profit per employee)</td>
<td>83</td>
<td>0.0082</td>
<td>0.0721</td>
<td>0.3333</td>
<td>-0.3333</td>
<td>-</td>
</tr>
<tr>
<td>Stakeholder performance</td>
<td>85</td>
<td>3.7008</td>
<td>0.5425</td>
<td>5.0000</td>
<td>2.5714</td>
<td>0.8600</td>
</tr>
<tr>
<td>Autonomy over pay &amp; performance policy</td>
<td>81</td>
<td>2.9064</td>
<td>1.0119</td>
<td>5.0000</td>
<td>1.0000</td>
<td>0.7400</td>
</tr>
<tr>
<td>Autonomy over training &amp; development policy</td>
<td>84</td>
<td>3.7996</td>
<td>0.9888</td>
<td>5.0000</td>
<td>1.0000</td>
<td>0.9080</td>
</tr>
<tr>
<td>Autonomy over employee involvement &amp; communication policy</td>
<td>87</td>
<td>4.2950</td>
<td>0.9205</td>
<td>5.0000</td>
<td>1.0000</td>
<td>0.9040</td>
</tr>
<tr>
<td>Autonomy over policy towards trade unions</td>
<td>71</td>
<td>4.2746</td>
<td>1.1458</td>
<td>5.0000</td>
<td>1.0000</td>
<td>0.9230</td>
</tr>
<tr>
<td>Age (Square root - no. of years)</td>
<td>80</td>
<td>4.7871</td>
<td>2.5674</td>
<td>10.9087</td>
<td>1.0000</td>
<td>-</td>
</tr>
<tr>
<td>Size (Log - total assets 2009)</td>
<td>86</td>
<td>5.5032</td>
<td>0.6062</td>
<td>7.4397</td>
<td>4.3824</td>
<td>-</td>
</tr>
<tr>
<td>Industry¤</td>
<td>88</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 2: Results from the questionnaire survey and objective data with maximum, minimum, means, standard deviations, Cronbach’s α and number of respondents. Of the autonomy measures it appears that autonomy over policy towards trade unions varies the most, whereas autonomy over employee involvement & communication varies the least, but generally the standard deviations are quite similar. Furthermore autonomy over employee involvement & communication and policy towards trade unions have the highest means, and autonomy over pay and performance the lowest. - indicates that it does not make sense to calculate means, standard deviations, Cronbach’s α etc. because it is a single item measure or a dummy variable.
regression results for subsidiary performance as a function of subsidiaries autonomy in designing HR-policies\textsuperscript{28}. The details and implications of these results will be discussed in chapter 5.

Results of Multiple Regression Analyses

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1</th>
<th></th>
<th>Model 2</th>
<th></th>
<th>Model 3</th>
<th></th>
<th>Model 4</th>
<th></th>
<th>Model 5 (full model)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\beta$</td>
<td>p-value</td>
<td>$\beta$</td>
<td>p-value</td>
<td>$\beta$</td>
<td>p-value</td>
<td>$\beta$</td>
<td>p-value</td>
<td>$\beta$</td>
</tr>
<tr>
<td>Constant</td>
<td>-0.487</td>
<td>.080</td>
<td>-0.490</td>
<td>.081</td>
<td>-0.950</td>
<td>.084</td>
<td>-0.909</td>
<td>.088</td>
<td>-0.851</td>
</tr>
<tr>
<td>Age</td>
<td>0.131</td>
<td>.018</td>
<td>-0.128</td>
<td>.018</td>
<td>-0.230</td>
<td>.063</td>
<td>-0.232</td>
<td>.063</td>
<td>-0.244</td>
</tr>
<tr>
<td>Size</td>
<td>0.131</td>
<td>.018</td>
<td>-0.128</td>
<td>.018</td>
<td>-0.230</td>
<td>.063</td>
<td>-0.232</td>
<td>.063</td>
<td>-0.244</td>
</tr>
<tr>
<td>Industry</td>
<td>-0.059</td>
<td>.236</td>
<td>-0.058</td>
<td>.237</td>
<td>-0.067</td>
<td>.569</td>
<td>-0.065</td>
<td>.584</td>
<td>-0.024</td>
</tr>
<tr>
<td>Autonomy over pay &amp; performance policy</td>
<td>-0.279*</td>
<td>.030</td>
<td>-0.279*</td>
<td>.030</td>
<td>-0.279*</td>
<td>.030</td>
<td>-0.279*</td>
<td>.030</td>
<td>-0.279*</td>
</tr>
<tr>
<td>Autonomy over training &amp; development policy</td>
<td>0.131</td>
<td>.018</td>
<td>-0.128</td>
<td>.018</td>
<td>-0.230</td>
<td>.063</td>
<td>-0.232</td>
<td>.063</td>
<td>-0.244</td>
</tr>
<tr>
<td>Industry</td>
<td>0.059</td>
<td>.236</td>
<td>-0.058</td>
<td>.237</td>
<td>-0.067</td>
<td>.569</td>
<td>-0.065</td>
<td>.584</td>
<td>-0.024</td>
</tr>
<tr>
<td>Autonomy over employee involvement &amp;</td>
<td>-0.279*</td>
<td>.030</td>
<td>-0.279*</td>
<td>.030</td>
<td>-0.279*</td>
<td>.030</td>
<td>-0.279*</td>
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<tr>
<td>Adj. $R^2$</td>
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<td>-0.017</td>
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<td>$\Delta$ Adj. $R^2$</td>
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<td></td>
<td>0.227</td>
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\textsuperscript{28} Pallant (2005) states that the significance of the unique contribution of each independent variable are very reliant on which variables that are included in the model, and that insignificance can be due to overlap with other independent variables. However, the latter explanation is not an issue in this study as there is no violation of assumptions in relation to multicollinearity.
Results of Multiple Regression Analyses

<table>
<thead>
<tr>
<th>Stakeholder Performance</th>
<th>Model 6</th>
<th>Model 7</th>
<th>Model 8</th>
<th>Model 9</th>
<th>Model 10 (full model)</th>
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<tr>
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* p < .05  ** p < .01  *** p < .001

### 4.3.1 Shareholder Performance Regression Models

The regression analysis in model 5 shows significant positive relationships between subsidiaries’ autonomy over training & development policy and policy towards trade unions respectively, and shareholder performance. Whereas subsidiaries’ autonomy over pay & performance policy and employee involvement & communication policy indicated no significant relationship with shareholder performance.

Overall, the full model (regression model 5) is the best performing model of the five and has a $R^2=0.227$ ($p<0.05$) which signifies that the full model explains 22.7% of the variance in shareholder performance. This is much in line with the $R^2$ of other HR-studies relating HR-variables to financial measures of performance (e.g., Huselid, 1995; Arthur, 1994). Yet, when it comes to small samples the $R^2$ tends to be a rather optimistic estimation of the true value of the population, and adjusted $R^2$ gives a better estimate of the true population value. The full model (regression model 5) has an adjusted $R^2=0.133$ and hereby the model explains 13.3% of the variance in shareholder performance. As table 3 shows, generally the models’ explanatory power increases as autonomy variables are added—especially adding the autonomy over policy towards trade unions increases the model’s explanatory power considerably,

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29 It should be noted that df falls by nine when the autonomy over policy towards trade unions is added, which is an implication of many “don’t know” and “N/A” answers on this question, and consequently the same change occurs with the stakeholder performance regression model.
which is also supported by the high and significant $\beta$-value=$-0.397$ $(p<0.01)$ of autonomy over policy towards trade unions. The $\beta$-value signify that autonomy over policy towards trade unions makes the strongest unique contribution to explaining shareholder performance, when the variance explained by the other variables is controlled for. Autonomy over training & development policy has a $\beta=-0.272$ $(p=0.047)$, and makes the second strongest contribution in explaining the variance in shareholder performance. Both variables have a positive relationship with shareholder performance, and make a significant unique contribution to the prediction of shareholder performance.

4.3.2 Stakeholder Performance Regression Models

The regression analysis in model 10 $(p<.01)$ shows a significant positive relationship between autonomy over training & development policy and stakeholder performance. While subsidiaries’ autonomy over pay & performance policy, employee involvement & communication policy, and policy towards trade unions shows no significant relationship with stakeholder performance.

The full model in relation to stakeholder performance (model 10) has a $R^2=0.291$ and an adjusted $R^2=0.206$ and hereby explains 20.6% of the variance in shareholder performance $(p<0.01)$ – see table 4. This higher explanatory power of the stakeholder performance model can be due to common method bias and therefore the $R^2$ may be overstated (Pallant 2004).

Moreover, looking further into the models in table 4 the adjusted $R^2$ declines when the last autonomy variable (autonomy over policy towards trade unions) is added, which means that the best performing model is actually model 9 with an adjusted $R^2=0.208$ (and a $R^2=0.272$, $p=0.001$). This means that adding autonomy over policy towards trade unions deteriorates the explanatory power of the model a bit, however all reported results will still be based on model 10. Apart from this divergence the adjusted $R^2$ improves when autonomy variables are added, and these results are also quite respectable compared to other studies relating HR-variables to perceptual measures of performance (e.g. Huselid, 1996). Furthermore, it is noteworthy that all five models are significant, and that autonomy over training and development makes a significant positive contribution in model 8-10. Moreover autonomy over pay & performance policy is significant in model 7 however the impact of this variable dilutes as the other autonomy variables are added.

The $\beta$-value indicate that autonomy over training & development policy ($\beta=0.287$, $p=0.029$ for model 10) signify that this variable makes the strongest unique significant contribution to explaining stakeholder performance.

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30 This variable is significant in regression model 3-5.
performance, when the variance explained by the other included variables are controlled for. Autonomy over policy towards trade unions has the second highest $\beta$-value 0.159 in model 10 (the full model), however the contribution is not significant ($p=0.212$), which is also the case for the rest of the autonomy variables. The details of the results will be discussed in chapter 5.
5. Analysis & Discussion – Autonomy as a Driver of Subsidiary Performance

In this chapter, the statistical results will be analysed and discussed in relation to the theory presented in chapter 2, knowledge from the interviews, and supplementary relevant sources. Finally, the theoretical and practical implications will be considered.

5.1 Autonomy over Pay & Performance Policy

According to regression model 5 and 10 H1a and H1b are not supported. First of all autonomy over pay & performance policy did not show any statistically significant relationship with neither shareholder performance nor stakeholder performance. And secondly, the relationship between autonomy over pay & performance policy and respectively, shareholder performance (β=0.175, p=0.192) and stakeholder performance (β=0.09, p=0.479) is weak. Hence, having autonomy over pay & performance is the weakest predictor of the included variables of both shareholder and stakeholder performance.

5.1.1 More Autonomy – Worse Shareholder Performance

Surprisingly – besides being an insignificant predictor of shareholder performance – the direction of the relationship between subsidiary autonomy over pay & performance policy and shareholder performance appears to be negative, which is indicated by the positive β-value\(^{31}\). Although the relationship is insignificant, this give an indication that the more autonomy over pay & performance policies, the worse shareholder performance.

This result is quite surprising since one would expect that the ability of subsidiaries to determine their own pay & performance policies would enable subsidiaries to perform better. This is because pay & performance policies could accordingly be more tailored both in relation to the national context (legal framework and collective agreements), but also in relation to industry, organisational or individual features. This perception is also supported by the 'low autonomy HR-manager' who states that: “It is important to determine the salaries ourselves, as people from other countries probably don’t know the conditions in the individual countries”. This view takes into consideration that pay & performance is quite regulated in Denmark, and accordingly does not necessarily offer a lot of room to manoeuvre for imposing pay & performance policies from abroad. One could presume that this issue could be even more widespread when it comes to HR-policies from parent companies from less regulated countries.

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\(^{31}\) Since shareholder performance is measured as profit per employee, which were inverted in the regression model, the positive β-value indicates a negative relationship.
such as LMEs, which might not be applicable in a Danish context (Hall, Soskice et al. 2001). Based on this one could assume that the respondents primarily consisted of subsidiaries with parent companies in similar CMEs, since having autonomy does not have a significant impact on shareholder performance. This would enable these predefined policies to be adapted to CME-contexts already, and hence it would obviate the need for autonomy within this HR-field. However the frequency table in appendix 20\textsuperscript{32} shows that the respondents does not consist of mainly parent companies from CMEs, but of an almost equal proportion of parent companies from CMEs and LMEs – with a slight majority of LMEs. Therefore, this aspect should not influence or explain the meaning of the results, but rather underpin it – i.e. that regardless of country of origin, autonomy over pay & performance policy is not significantly related to shareholder performance. An alternative explanation of the result could be that because the analyses are done in Denmark (which is a CME), other results might occur, if the study was executed in a LME.

Another interpretation of the negative relation to shareholder performance indicates that the less autonomy over pay & performance policy, the better shareholder performance. Hence, the result could mean that subsidiaries with better shareholder performance, uses more centralised – or standardised – pay & performance policies from the parent company, which therefore leads to better shareholder performance. This interpretation is supported by the ‘high autonomy HR-manager’ who in relation to autonomy over pay & performance policy states: “In this case, I actually don’t think that it has any significance that we control the decision-making competence ourselves. However, one could imagine that it would bring along a good synergy for large companies to have the possibility of testing different kinds of setups within performance management in order to subsequently ensure the implementation in the rest of the company”. So according to this HR-manager, who basically decided everything himself\textsuperscript{33}, autonomy is not important for performance, but he can see the benefits of more standardised policies. Hence, the statement of the ‘low autonomy HR-manager’ might be an implication of this HR-manager generally wanting more autonomy, or based on her general expectations.

The graph in appendix 18 shows a mean-value of 2.9 for autonomy over pay & performance policy, which is close to the middle of the scale, however, it is the HR-area with the least autonomy compared to the other included HR-policy areas. This might indicate that pay & performance policies regarding

\textsuperscript{32} The parent countries are divided into CMEs and LMEs based on Hall & Soskice (2001).
\textsuperscript{33} HR-managers will be referred to as him/himself/he regards of sex.
managers are more in line with parent company policies\textsuperscript{34}. This could be due to parent companies having effective pay & performance policies and systems that they therefore want implemented and applied for managers worldwide. This explanation is in line with the proposition of Ferner et al. (2007) that parent companies to a larger degree want to control pay for managers compared to the rest of the workforce. And this study indicates that it might actually benefit shareholder performance having this approach.

All in all, in rejecting $H_{1a}$, it seems that subsidiaries should not necessarily have autonomy in designing pay & performance policy for managers, but instead more standardised pay & performance policies imposed from the parent company could impact shareholder performance positively. This could have implications for further theory development as it seems that autonomy within this field is not as critical as expected, and maybe that institutional framework conditions might not be as big an obstacle as anticipated by theory (Fenton-O'Creevy, Gooderham et al. 2008, Hall, Gingerich 2004). Furthermore, it could have implications for practice, where subsidiaries might in reality benefit from obeying to pre-defined pay & performance polices. However, one should be cautious making these inferences. The contradiction of $H_{1a}$ and the different answers from the HR-managers indicate that further research is needed to explain or support the result. Moreover, further research needs to be done both with regards to studying this phenomenon in different context to see if it is a specific finding for subsidiaries in Denmark or CMEs in general.

5.1.2 Stakeholder Performance – A Negligible Relationship

With regards to the relationship to stakeholder performance, the $\beta$-value in regression model 10 indicates that the impact of having autonomy over pay & performance on stakeholder performance is negligible. Nevertheless, in regression model 7, autonomy over pay & performance has a significant positive relationship to stakeholder performance, ($\beta=0.243; p=0.036$). However this effect dilutes when the other autonomy variables are controlled for.

Although one would expect that the subsidiaries and HR-managers’ ability to determine pay & performance policies in relation to pay level, variable payment schemes and appraisal systems for managers should impact stakeholder performance significantly, this is not the case although the relationship is positive. One reason for this could possibly be related to the following statement by the ‘low autonomy HR-manager’: “If you have a talented employee who you would like to reward with a bonus or a salary increase, it will affect another one of your employees, if you chose to increase the salary

\textsuperscript{34} Comparing the mean for autonomy over pay and performance for managers and the largest occupational group (LOG), autonomy for LOG is only slightly higher (3.0 vs. 2.9).
with 6%, and the average for all employees must not exceed 3%, then other employees will have to compensate for it”. In this perspective, autonomy over the pay & performance policy would not impact relational outcomes substantially, if autonomy involves individualised pay or rewards that damage overall employee relations. Furthermore, the lacking relationship with stakeholder performance might be due to autonomy over pay & performance polices not impacting customer relations.

Generally, in both interviews, not much was said in relation autonomy over pay & performance policy and the impact on stakeholder performance, which could be indicative of the result that the relationship is negligible. The overall impression is that the pay systems were quite standardised within the Danish operations, and not something they paid much attention to or found interesting or relevant to elaborate further on. In short, they just stated that they used fixed pay, and in addition some bonuses. Pointon & Ryan (2004) note that what stimulate people are things like a decent basic pay, and softer aspects, such as an interesting job or good colleagues. This might be an explanation to why autonomy over pay & performance policy shows a minor relationship with stakeholder performance, because, in fact, the autonomy does not change anything on an individual level.

The lack of support of H1b points to a tendency that having autonomy in designing pay & performance policy for managers only vaguely relates to stakeholder performance. This could incite further research to be done to examine whether there is relationship between these two variables or not. Consequently, it is difficult to outline implications for practice.

However, one should bear in mind that the findings in relation both to H1 and H1b are not significant, and hence recommendations for practice should be read and applied with caution and only be seen as preliminary findings.

5.2 Autonomy over Training & Development Policy

In regards to H2a and H2b both are supported. Autonomy in determining training & development policy is the second strongest driver of shareholder performance ($\beta$=-0.272, $p=0.047$), and the strongest driver of stakeholder performance ($\beta=0.287$, $p=0.029$). Autonomy in designing training & development policy is significant in both regression model 5 and 10 and the relationships with respectively shareholder and stakeholder performance are positive.$^{35}$

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$^{35}$ The negative $\beta$-value in model 5 indicates a positive relationship since shareholder performance is measured as the inverse of profit per employee.
5.2.1 More Autonomy – Better Shareholder Performance

As $H_{2a}$ predicted there is a positive relationship between subsidiaries autonomy in determining training & development policy and shareholder performance, which signifies that the more subsidiary autonomy with regards to setting policies on training and development, the better shareholder performance, and the less autonomy, the worse shareholder performance.

Explanations for this result could be that subsidiaries’ ability to determine training & development policy themselves, enable them to design and adapt training & development policy in a way that fits the subsidiary, its environment and individual employees better. In other words, autonomy with regards to training & development policy might have the spillover effect of allowing subsidiaries to modify and accommodate training & development individually to specific employee groups and individual employees, which can be critical in relation to shareholder performance. Moreover, autonomy within this HR-field might have the derived effect of enabling subsidiaries to adapt and customise training & development courses and procedures quickly in relation to sudden market changes and accordingly changes in needs regarding employee competences and skills.

These explanations are supported by both interviews, where the statements of both ‘the low autonomy HR-manager’ and the ‘high autonomy HR-manager’ maintain this point – just in opposite ways. The ‘low autonomy HR-manager’ states that “The training that the parent company requires you to take might not fit in a Danish company, so you risk spending time and effort on training, that you might not benefit as much as you should from.”. This statement clearly indicates that training & development initiatives made by the parent company can be a waste of resources, if not adapted to the specific context and needs. This will directly affect the productivity of the employees, as they spend their time on taking irrelevant training instead of working. Furthermore, irrelevant training does not help to enhance the employees’ competences in relation to their daily work tasks to create value. The ‘low autonomy HR-manager’ elaborates further in relation to standardised training and development demanded by the parent company: “it [Editors note: training in different products] is mandatory for everybody, but I don’t know how many of us actually went through it, because there is a test at the end that even our technical boss – who actually knows a lot about this stuff – couldn’t pass. Therefore it’s a little so-so... And this is general training in products... It does not take into consideration that, the finance department might not need to know as much about this as the sales department’. So we all just have to take the same test”. This statement strengthens the argument that these standardised training programs are not accommodated to neither, subsidiary, nor individual needs and is basically a waste of time and resources for both the
employees and consequently the subsidiary. Regarding the economical aspects of the situation, the ‘low autonomy HR-manager’ says: “if you are a new manager, some courses are mandatory. And even though [company name] says that it is mandatory, they do not cover the expenses for it – so we have to cover them ourselves, although we might not have room for it in the budget. [...] Therefore it is almost only what the parent company demands of us that we do…” (Editors note: Budgets are made by the parent company). This indicates that when money is spent on training and development it is limited to be spent on something standardised\textsuperscript{36} and not adapted to current market developments or individual needs, and hence not creating value. The ‘low autonomy HR-manager’ finishes: “It is important, to determine yourself how to train and develop employees”.

In agreement with this, the ‘high autonomy HR-manager’ also clearly notes that “it is of great importance to determine this for ourselves”. By comparing the two interviews, it seems that having autonomy over the determination of training & development policies allows the subsidiary to individualise and personalise the training & development initiatives to a much higher degree “We design very individualised training plans for each employee. Both horizontally to improve current competences, but also vertically achieve a higher position, says the ‘high autonomy HR-manager’. Hence, having autonomy also appears to have the consequence that employees get to develop and acquire competences within areas that fills out their competence gaps. These relevant competences would improve shareholder performance because as the ‘high autonomy HR-manager’ says: “everything we initiate must affect the bottom line positively. Of course it has to result in satisfied employees, but satisfied employees also affect the bottom line. As such I measure what actually gives a return on investment [...] How do we decrease sickness absenteeism? How do we develop everybody’s competences? How do we create a minimal competence gap?”. Accordingly, the autonomy to make these individual competence adjustments are perceived to affect the bottom line notably.

Furthermore, having autonomy makes it possible for the subsidiary’s HR-manager to adapt quickly to market changes and develop and train employees in areas where immediate competence needs have occurred. E.g. “My [HR]-strategy is very characterised by the market, trends and current needs [...] ‘What does the market demand now?’[…]’Now it’s trendy to think in home decoration or what do I know…’ Then we have to train more within this area”. This ability would also improve the productivity of the employees and hence shareholder performance, as the company hereby follows the demands of the

\textsuperscript{36}The ‘low autonomy HR-manager’ says that on average, they attend courses approximately every third year.
marked and equips the employees with relevant competences. As the ‘high autonomy HR-manager’ states: “we want the best employees in the sector, and we want them to feel well equipped” in relation to their home created educational academy.

The support of $H_{2a}$ suggests that autonomy in relation to training and development policy is very important for shareholder performance, as the finding is both statistical significant and is furthermore supported by the qualitative interviews, which makes the finding stronger. Not only does it indicate that autonomy over training & development enables the subsidiary to customize training & development to individual competence gaps, but also in relation to rapid market changes and consequently urgent competence need. Moreover, the findings indicates that standardised, imposed training & development from the parent company is detrimental to both the development of relevant competences, and to employees spending time on irrelevant tasks which lower productivity of the workforce, since they spend their time on non-value adding activities. This confirms what the combination of theories predicted, and could therefore have valid practical implications, suggesting that MNC-parent companies should grant autonomy to subsidiaries regarding training & development policies.

5.2.2 More Autonomy – Improved Stakeholder Performance

Autonomy in designing training & development policy is the only significant predictor of stakeholder performance included in this study, and hence the strongest driver of stakeholder performance.

The support of $H_{2b}$ implies that the subsidiaries’ autonomy in determining policies for training & development impact stakeholder performance positively. This result might indicate that the subsidiaries’ ability to determine and plan these activities, without pre-defined and imposed training & development polices, improves a number of aspects of employee relations and customer satisfaction. Based on the quotes in section 5.2.1, this could mean that having autonomy makes it possible to individualise training & development and fill competence gaps which makes employees more satisfied. This is in line with the notion that employees are more motivated by softer aspects of their job and hence initiatives related to personal development will enhance overall relational outcomes better than by e.g. money rewards money.

In relation to the general satisfaction level of the employees, the ‘low autonomy HR-manager’ says: “the employees demand training and development, and we don’t have money for it. If we have to meet the targets they [editors note: the parent company] set for us, there is simply not money left for training. So when they ask us to make these kind of surveys, they ask us to get better, but it comes back to bite you,
because we don’t have resources to follow up on it”. This quote indicates that lack of autonomy has a negative influence on stakeholder performance with respect to employees. The employees demand more training and development, than the budgets allows for, and the inability of the HR-manager to satisfy these needs seems to affect the satisfaction levels of everybody, including the HR-manager because this manager does not have autonomy to satisfy the employees’ needs. This implies that the lack of autonomy over prioritising resources actually deteriorates stakeholder performance in relation to employees. Moreover, the standardised training and development programs are perceived as irrelevant and to have the effect of making people a bit annoyed with the system, which probably also impact satisfaction levels: “people feel that they are wasting their time doing all these things on the internet” and the HR-manager later elaborates: “actually, I feel that people are dissatisfied [...] Employee satisfaction would increase, if we didn’t have to complete all these things on the internet which we spend a lot of time on, but nobody sees the purpose of”. In the interview, it is even insinuated that you can actually get fired, if you do not obey to parent company procedures. In addition, this appeared to affect both the company’s ability to attract, recruit and retain new employees according to this HR-manager: “I could imagine that when the market changes, people starts to seek employment elsewhere” and in relation to recruitment the ‘low autonomy HR-manager’ explains that people might get disappointed when they have read about the company on the internet that training and development is a high priority. And the ‘low autonomy HR-manager’ clarifies: “so we are obviously not that good at attracting good employees,” in relation three current job adverts and their inability to fill these positions and attract new employees in the current job market. All these statements insinuate that the HR-manager’s inability to fulfil employees training and development needs due to low autonomy, plus the standardised training & development demands of the parent company affects stakeholder performance negatively.

Oppositely, the situation seems completely different for the ‘high autonomy HR-manager’. It seems that having autonomy over training and development makes not only the HR-managers more satisfied, but also satisfies all the individual employees to a higher degree. The ‘high autonomy HR-manager’ claims that their job satisfaction survey compared to similar companies position them “very well”, and several times the ‘high autonomy HR-manager’ spontaneously says “Yes, it is very cool” and “It’s super, super funny” in relation to having autonomy over these policies. Generally, there is a completely different atmosphere in the two subsidiaries, which might also affect prospective employees visiting the two subsidiaries (cf. the quotes from the ‘low autonomy HR-manager”).
Moreover, having autonomy might entail that subsidiary HR-managers are more inclined to take responsibility over the subsidiaries’ training & development needs and over administering and taking interest in training & development policies. The ‘high autonomy HR-manager’ has developed an educational academy including course material himself. On the other side, the ‘low autonomy HR-manager’ seems much more passive due to restrictions from the parent company. However, in relation to this it should be noted that the ‘high autonomy HR-managers’ job title is ‘staff development manager’ which could in itself be expressive of the focus of the company. Conversely, the ‘low autonomy HR-manager’ was actually primarily controller with HR on the side. In this way, HR-issues were in general low priority in the ‘low autonomy subsidiary’, but it appeared to be the biggest problem in relation to issues regarding training and development of employees.

All in all, it seems that autonomy over training and development has consequences for employees’ satisfaction levels, their development of relevant competences, their engagement and possibly also the public image. Of course these interview-based interpretations of data are only based on two interviews, and therefore should be read and applied with caution. However, it is noteworthy how well the qualitative data supports the quantitative findings, which strengthen the validity of the findings.

The support of both H2a and H2b has implications for how MNCs delegate autonomy to subsidiaries, and whether the parent company or MNC headquarters chooses to spend resources on making worldwide or standardised training & development policies. The frequency table in appendix 18 shows that the autonomy measure for training & development policy has a mean of 3.8, which is above average. This could be a slight indication that there is some room for getting more autonomy for subsidiaries in Denmark within this – apparently – highly significant HR-policy area. Furthermore, in relation to how subsidiaries choose to manage their autonomy over training & development policy, it could indicate that context specific and individualised training & development that fills competency gaps satisfies both organisational and employee needs.

5.3 Autonomy over Employee Involvement & Communication Policy

Both H3a and H3b are not supported with (β=0.211, p=0.105)_{H3a} and (β=0.112, p=0.363)_{H3b}. Hence autonomy over EI & communication policy does not make a significant contribution in predicting neither shareholder nor stakeholder performance. The β-values show that autonomy over designing EI & communication policy unexpectedly has a negative relationship with shareholder performance, but a positive relationship with stakeholder performance as expected. Furthermore, having autonomy to
design EI & communication policy is the second weakest predictor of both shareholder and stakeholder performance.

5.3.1 Shareholder Performance – An Inverse Relationship

Surprisingly, the relationship between autonomy over EI & communication and shareholder performance is both negative and insignificant. This means that subsidiaries autonomy in determining the involvement of employees in work processes through e.g. team work and suggestion schemes, and regarding the provision of information to employees is negatively related to the productivity of the workforce. This could possibly imply that more standardised or pre-defined EI and communication policy impacts shareholder performance positively.

This result is to a great extent unanticipated since EI is known to be very characteristic and very important to employees in Scandinavian countries (Holden 2004). Furthermore, communication styles are meant to differ considerably between countries (Budhwar, Debrah 2001). For these reasons, one would inherently expect that the autonomy of local subsidiaries in determining these kinds of policies would assure that EI & communication style were more accustomed to Danish circumstances and employees, which accordingly would increase shareholder performance i.e. workforce productivity. The conception that EI & communication should be handled locally for which subsidiaries need autonomy is maintained by the frequency graph in appendix 18, which shows that subsidiaries have quite a lot autonomy in this HR-area with a mean of 4.3, and a standard deviation of 0.9, (although the relationship with shareholder performance is insignificant and inverse). Also, the interview with the ‘high autonomy HR-manager’ strongly indicated that having autonomy within this HR-field was pivotal. First of all because EI & communication as such need to be adapted to local circumstances, but also in relation to especially Danish employees who ‘demand’ much more involvement even compared to other Scandinavian countries. The ‘high autonomy HR-manager’ says: “In Denmark, the employees are accustomed to be involved when something new is about to happen. And in Norway, the employees want to participate, but are not accustomed to it [...] And I think the same goes for Sweden actually”. Additionally ‘the high autonomy HR-manager’ notes: “Employee involvement and choice of communication method is very context dependent in relation to the cultures in different countries. E.g. in Denmark, employees have great expectations about employee involvement. Employees in Denmark thrive well with co-determination, whereas in other countries, they are not nearly as used to it. Our parent company is in Germany, and they do not have nearly as much employee involvement as in Denmark – it is simply not part of their culture. This is also applicable to for the degree of communication”. In addition,
this should affect both employee satisfaction and firm performance according the ‘high autonomy HR-manager’, which should imply that autonomy over EI should be necessary in a country like Denmark to enhance productivity.

Nevertheless, according to this study this does not seem to be the case, and oddly the results might imply that subsidiaries not having autonomy over determining EI & communication policy may perform better in relation to shareholders. Perhaps an explanation regarding using pre-defined policies and not the subsidiary determining it themselves could be that: “it is positive because you don’t have to have a full-time HR-employee, and you don’t have to spend as much time on it, as you would if you had to create it all yourself” according to the ‘low autonomy HR-manager’. And the ‘low autonomy HR-manager’ further elaborates: “There is a lot of e-mails, that you don’t read, because you receive something all the time, right!? It is kind of like they want to standardise the company, so everybody have it in a similar way[...] so there is of course some cost reduction in it to be considered”. This might imply some kind of efficiency improvement using this approach as the HR-manager is not occupied with these tasks, however this interpretation is not unequivocal, as the quote could mean that the workforce just have decided not to pay attention to the parent company’s e-mails, as they perceived them disturbing and time consuming.

However, one should be cautious making this offhand inference that subsidiaries should not have autonomy over EI & communication policy as the finding contradicts theory, the ‘high autonomy HR-manager’ statements, and furthermore is insignificant. Hence, further research is needed to support these results – favourably comparing CMEs and LMEs. Therefore, one should also be careful in relation to making inferences and recommendations about the practical implications of this result.

5.3.2 Stakeholder Performance – A Weak Relationship
The rejection of H3b is also fairly unforeseen as it seems clear that autonomy in relation EI & communication policies should significantly impact relational outcomes in terms of stakeholder performance. Furthermore, the β-value points to that the relationship with stakeholder performance is weak.

The result that autonomy over EI & communication policies does not show a relationship with neither shareholder nor stakeholder performance, may possibly be interpreted in the way that employees in Denmark expect a quite high degree of involvement: “Yes, I don’t know if they take it for granted, but in Denmark I experience a larger degree of expectations in regards to being involved in decisions that
"concern them" says the ‘high autonomy HR-manager’. So although the graph in appendix 18 indicates that the subsidiaries have quite a lot of autonomy regarding EI & communication, it does not show whether subsidiaries uses these EI and communication practices to a high degree or if they involve employees in Denmark as much as requested, which might explain the weak and insignificant relationship.

This explanation is somewhat supported by the following statement made by the ‘low autonomy HR-manager’ about EI & communication policy: "I am not sure if it has any importance that HR-policies are dictated from the parent company, because one chooses oneself how much one wants to involve employees and communicate with them". Therefore, regardless of the level of autonomy, it might cover a low usage of EI & communication initiatives, and hence, not live up to stakeholders’ expectations— and vice versa. This reservation applies to the interpretation of all the study results.

Another explanation for this result could be that the economic and political context influences the success of the EI schemes that organisations adopt (Ramsay 1992, Poole 1986). This could imply that, due to the financial crises a high degree of autonomy might not impact stakeholder performance significantly under these circumstances, due to environmental changes and how HR-management, employees and customers react to it. This could signify that further research under different economical conditions is needed to validate this finding. Furthermore, the finding might be an implication that EI tends to be quite overlooked or even ignored during economic downturn, and to survive companies then to move toward harder HRM\(^{37}\) policies (Marchington 1995). So even though subsidiaries have autonomy over EI, they might administer it differently during economic downturns, which will indirectly affect the relationship between autonomy over EI & communication and stakeholder performance. “Types of EI also evolve and change with managerial vogues, which are governed by political, economic and social pressures” (Beardwell, Holden et al. 2004: 546). If this is the case, it might have had an impact on the implemented autonomy over EI & communication by the subsidiary, which could possibly influence the relationship with both shareholder and stakeholder performance.

Overall, it seems that autonomy over EI & communication does not relate much to stakeholder performance. This could be due to high expectation about involvement in Denmark, or might be explained by economic contextual circumstances during the data collection period, which could affect.

\(^{37}\) Hard HRM can be described as “A view of HRM that identifies employees as a cost to be minimised, and tends to focus on ‘flexibility techniques’ and limited investment in learning and development” (Beardwell, Holden et al. 2004).
implemented EI & communication policies adversely in spite of subsidiaries having autonomy. As autonomy over this policy did not relate significantly to stakeholder performance, the implications stated above should be read and used with caution in practice, as this is distant from the theoretical expectations.

5.4 Autonomy over Policy towards Trade Unions

As stated, $H_{4a}$ is supported and autonomy over policy towards trade unions is the strongest driver of shareholder performance ($\beta=-0.397$, $p=0.004$), and makes a significant and positive impact on shareholder performance. Yet $H_{4b}$ is not supported ($\beta=0.159$, $p=0.212$), and autonomy over policy towards trade unions does not impact stakeholder performance significantly, although the $\beta$-value indicates that the relationship should be positive. Both results are interesting as one intuitively might expect that the impact of having autonomy over policy towards trade unions would have a stronger impact on stakeholder performance (i.e. relational outcomes) than the impact on shareholder performance.

5.4.1 Autonomy – A Strong Driver of Shareholder Performance

The support of $H_{4a}$ implies that subsidiaries autonomy in determining policies regarding union recognition and scope of union involvement in decision-making strongly impacts productivity of the workforce, i.e. shareholder performance significantly. Which denote that the more autonomy subsidiaries have regarding trade union polices the better shareholder performance.

This finding could be because trade union relationships are very local and specific, and therefore, there is a vast need to have autonomy over these policies. As the ‘high autonomy HR-manager’ states in relation to policy towards trade unions: “It is very important to have decision-making competence yourselves”. In accordance the frequency graph (see appendix 18) shows that subsidiaries have a lot of autonomy regarding autonomy over policy towards trade unions with a mean of 4.27. Held together with information from the interview with the ‘high autonomy HR-manager’ high autonomy is almost a basic term – the HR-manager states: “The relations with trade unions and various collective agreements are – of course – locally determined, and therefore they cannot be controlled by the parent company”. Based this statement and the graph, it appears that it is an inherent feature that subsidiaries should have autonomy within this field. This situation can limit the practical recommendations that can be made based on this result, as it seems that this autonomy is generally quite high and hence difficult to increase. However, the indication of this finding is still quite clear – that it impacts shareholder performance significantly to have autonomy over policy towards trade unions. As such for the
subsidiaries with low autonomy, there could be room for improvement, as the statistical interactions show that it is positively related to shareholder performance.

The result could be due to resource optimisation implying that the HR-function might be able to handle and co-operate with trade unions off-hand, instead of spending resources on trying to implement, modify or follow predefined policies towards trade unions. In this way, the finding might be due to a spillover effect of efficiency improvements in the use of the HR-functions resources. In line with this argument, it might also be the case that subsidiaries having autonomy avoid encountering problems since the meeting between pre-defined HR-policies from the parent company and local IR can cause both practical problems (De Silva 1998). Having subsidiaries dealing with trade unions single-handedly might therefore be instrumental in achieving success.

However, this explanation is a bit exploratory and therefore further research into finding further explanations is needed, as the reasons for the relationship is not entirely clear. Also the ‘low autonomy HR-manager’ did not have anything to do with trade unions, so no explanations could be found through this interview. Yet, the quantitative results establish that autonomy is important for shareholder performance and hence the finding could have strong implications for policy towards trade unions in MNC. The result strongly indicates that a high degree of subsidiary autonomy is very important for subsidiary performance, and consequently MNCs should grant autonomy to subsidiaries in determining policy towards trade unions.

5.4.2 Stakeholder Performance – A Minor Relationship

Interestingly, autonomy over policy towards trade unions does not have a significant relationship with stakeholder performance. This is remarkable because having autonomy over policy towards trade unions would be expected to increase relational outcomes i.e. stakeholder performance (Fenton-O’Creevy, Gooderham et al. 2008). The argument being that, if policy towards unions are set locally, it could imply that unions are recognised and involved in decision-making in a adapted way, that will cause good relations with employees. And, in line with this argumentation, hereby also project a good image to future employees and customers and society in general and thus stakeholder performance. However this does not seem to be the case – in fact when the autonomy over policy towards trade unions variable are entered into the regression model, the explanatory power of the model decreases slightly, and the variable does not make a unique contribution in explaining stakeholder performance. Compared to the significant result with the highest β-value in relation to shareholder performance, this is a relatively
surprising, since one might surmise that the impact on stakeholder performance should be greater compared to shareholder performance.

The ‘high autonomy HR-manager’ says in relation to trade unions that: “it is important to have autonomy over policy towards trade unions” and elaborates that he has determined to collaborate with the trade unions: “again and again I have maintained that, well, ‘I want to collaborate with you, but we need a common goal’ and of course we don’t want to give without getting anything […] so it’s a win-win situation”. The ‘high autonomy subsidiary HR-manager’ hereby implies that he also wants what is best for the employees, which he is trying to convince the trade union representative about. This would involve this adapted approach to improve stakeholder performance, but the quantitative results do not support this supposition. The interview also indicated that autonomy encouraged the HR-manager to take responsibility for the relationship with trade unions. Accordingly he has the freedom to build better relations with trade unions and indirectly diverse stakeholders, and adapt to different situations. The ‘high autonomy HR-manager’ elaborates: “You don’t read about [company name], do you? […] We are kind of the quiet ones, which means that, we try to keep our things straight”. Offhand, one would assume that this approach would enhance relational output in relation to employees and prospective customers, however the impact is not significant, although the relationship is positive. Yet, this might be one explanation to why autonomy over policy towards trade unions has such a strong and significant relationship with shareholder performance, while these interactions would be more indirect.

All in all, the relative impact of having autonomy over policy towards trade unions on shareholder performance compared to stakeholder performance are is not entirely explained based on the information given in the interviews. Furthermore, both regression model 5 and 10 show that the number of observations included in the model declines radically when the ‘autonomy over policy towards trade unions’ variable is added to the models. Looking in to the data, this is explained by some ‘don’t know’, ‘N/A’ or ‘blank’ responses to the questions included in the measure. Hence they appear as missing data in the models. This may indicate that, either trade unions is not something that HR-managers are responsible for, or that they just do not have to deal trade unions, since they follow applicable collective agreements. This might suggest that policy towards trade unions is not just subsumed under HR. In conclusion further research is needed to support and strengthen these results.
6. Conclusion

The purpose of this study was to examine how subsidiary autonomy in determining HR-policies within four HR-areas can affect subsidiary performance – more specifically labour productivity and performance in relation to customers and employees – to clarify the relative impact of having autonomy over different HR-policies.

The study has shown that the impact of subsidiaries’ autonomy in determining different HR-policies on subsidiary performance, firstly depends on the specific HR-policy area, and secondly varies according to the type of subsidiary performance. Hence, the impact of having autonomy is not unequivocal.

First, having autonomy over determining pay & performance policy does not have significant impact on neither shareholder nor stakeholder performance. This is surprising as pay is a fairly regulated in Denmark, and accordingly one would expect that having autonomy within this HR-policy area would be necessary in order to have the ability to adapt pay & performance policies. However, this study does not support this assumption. In fact, in relation to shareholder performance it seems that the relationship is inverse, which could indicate that less autonomy is better for shareholder performance, or that standardised pay & performance policies originating from the parent company enhances subsidiary performance. In relation to stakeholder performance, the relationship is weak and insignificant, which point to that autonomy over pay & performance policy and accordingly having the ability to determine special pay arrangement independently and adapt to specific circumstances, does not impact stakeholder performance. This could be because pay should just be standardised for everybody, and the included stakeholders does not value special pay arrangements. Based on both the quantitative and qualitative findings, overall it seems that having autonomy over pay & performance policy is not important. However, one should be very cautious making these inferences, as both results are not significant, and hence the findings can only be seen as preliminary indications. Therefore, further research is needed both to support that the relationship to shareholder performance is negative and that the relationship to stakeholder performance is negligible.

Subsidiaries’ autonomy over training & development policy has the second strongest impact on shareholder performance, and the strongest impact on stakeholder performance of the included HR-autonomy variables. Autonomy over training & development impacts both subsidiary performance measures positively and the relationships are significant. The positive impact of having autonomy over training & development on shareholder performance seems to be a spillover effect of enabling
subsidiaries to adapt training & development to individual employees, and hence fill competence gaps. Furthermore, autonomy over training & development has the derived effect of allowing subsidiaries to adapt and customise training & development in relation to sudden market needs, and consequently immediate competence needs. Both these factors affect shareholder performance i.e. labour productivity positively. Conversely, more standardised training & developments policies originating from the parent company appears to have the adverse effect, as employees waste their time on irrelevant and non-individualised training & development programs, which takes time from value adding activities. In addition, employees do not get relevant training that fills their competence gaps, and which together is detrimental to shareholder performance i.e. labour productivity. Also, in relation to stakeholder performance the impact of subsidiary autonomy is positive, which seems to be primarily due to improvement of several aspects of employee relations, as training & development is adapted and aimed at individual needs. Conversely, standardised and imposed training & development polices appear to have the opposite effect, since the HR-manager’s inability to fulfil employees’ training & development needs is detrimental to several aspects of stakeholder performance. Also, subsidiary autonomy seems affect HR-managers inclination to take responsibility over training & development activities, which can also influence overall stakeholder performance due to an increased focus on employees’ development of competencies. These findings are supported by both the quantitative and qualitative analyses which strengthen the validity, and hence could have the practical implication that MNC parent companies should delegate autonomy to subsidiaries regarding training & development policy, instead of developing worldwide or standardised training & development policies.

Autonomy in determining HR-policy over EI & communication does not impact shareholder and stakeholder performance significantly, and moreover, the impact of having autonomy on shareholder performance seems to be negative. Although EI & communication should be very characteristic and important to Danish employees, which is confirmed both by theory and the qualitative data, this does not impact shareholder performance positively. Furthermore, the impact on stakeholder performance is insignificant and, which could possibly be explained by Danish employees expecting high degrees of EI, and implicitly that a high degree of autonomy does not necessarily imply a high degree of EI, or EI that live up to employee expectations. Moreover, the finding might be a repercussion of the notion that EI can be disregarded during economic downturns, so although subsidiaries have autonomy, they might administer it differently during economic crises. As both these results are insignificant and unexpected, further research needs to be done to validate and find supplementary explanations for the results. Hence, one should be cautious making offhand practical inferences based on them.
Finally, autonomy over policy towards trade unions is positively related to shareholder performance and has the strongest significant impact of the included variables. However, autonomy over policy towards trade unions does not impact stakeholder performance significantly. The results strongly indicate that autonomy within this field is necessary to improve shareholder performance. The positive impact on shareholder performance might be explained by some spinoff resource optimisation in the HR-function, by having the autonomy to handle policy towards trade unions offhand, without spending resources on implementing and modifying predefined policies from the parent company. Yet, autonomy over policy towards trade unions does not impact stakeholder performance significantly, and explanations found for this result in the interviews are limited. Therefore, further research needs to be done to explain and support these findings. However, the findings could have strong practical implications indicating that subsidiaries should have autonomy in determining policy towards trade unions to enhance shareholder performance.

All in all, these results can function as input in relation to how MNC-parent companies and subsidiaries prioritise their IHRM efforts, as the findings indicate within which HR-areas autonomy should be granted. Also, findings are a nuanced input to existing theory within the SIHRM field regarding the balance between the parent company’s control and subsidiary autonomy.

### 6.1 Strengths & Limitations of Results

All in all, this study has contributed to existing SIHRM-theory by illustrating the impact of subsidiary autonomy over different HR-policies on both shareholder and stakeholder performance, and has hereby highlighted the relative impact autonomy over different HR-areas. Furthermore, the study has examined SIHRM in a CME-context, which serves as a fine supplement to much existing research within this field. Accordingly, the strength is that it tests a highly discussed phenomenon within IHRM and SIRHM literature and links it with performance to measure the strategic impact of autonomy versus parent company control. Moreover, the study includes both a financial and non-financial performance measure, which gives a more nuanced picture of the impact of autonomy over HR-policies for both short and long term benefits.

However, the results of this study suffer from some biases, which should be taken into consideration. The findings of the study might be biased as both the questionnaire data and financial data were collected during the financial crises which might have distorted HR-managers perceptions of autonomy and stakeholder performance, the degree of implemented autonomy, but also productivity levels.
Furthermore, the data did not live up to all the assumptions about performing multiple regression analyses, which might also have impacted the regression results. Hence, the results might not be generalisable, but are touching upon the waters in highlighting the importance of subsidiary autonomy. Also, it could be interesting to test the link in other contexts to see, if the results are generalisable in other types of market economies, or if the results are only valid in Denmark or maybe other CMEs. Moreover, the stakeholder performance measure could have items related to other stakeholders than only employees and customers, e.g. community, trade unions etc. Furthermore, stakeholder performance could have been measured by e.g. the employees and customers instead of only relying on HR-managers’ perceptions, to avoid common method bias (Saunders, Lewis et al. 2007). Finally, the causal direction is undetermined as the cross-sectional data used in this study does not permit inferences about causal ordering to be made between autonomy over HR-policies and the two kinds of firm performance. Therefore, longitudinal research should be conducted to explore the direction of the relationship further.
7. Further Perspectives

For future research, it would be interesting to include other HR-policy variables, e.g. autonomy over recruitment and selection procedures or retention policy, which was not part of the applied questionnaire, in the analyses. Furthermore, studies into the effect of subsidiary autonomy on intervening variables, e.g. the possible attitudinal and behavioural processes that might lead to shareholder and stakeholder performance, could indicate the impact of having autonomy on an individual level of analysis. It could also be relevant to explore how different levels of subsidiary autonomy impact the use of different HR-policies and -practices i.e. if the usage of certain practices increases or decreases with more or less autonomy.

In a broader perspective, subsidiaries located in Denmark might be able to impact the overall economy and productivity levels positively, by complying with the results of this study. The results might be indicative of an inherent need for training & development to be adapted in relation to employee competences, in order to compete both nationally and internationally. Hence, the findings might reflect today’s international competitive situation and imply that individual competence gaps need to be filled to achieve enhanced performance.

In other words, subsidiary autonomy over training & development might be a resource to move subsidiary performance and accordingly Denmark’s productivity further ahead as a strong knowledge society. In this perspective, if MNCs grant autonomy over training & development to subsidiaries it could benefit the local subsidiary, the overall MNC and the Danish society as a whole. This might also attract MNCs to invest in Denmark to get access to knowledge and expertise to gain better productivity and hence it could have mutual benefits. In this way, an implication of the results on both an organisational level, but also on a societal level, point to that MNCs’ development of these skills are essential to compete globally, and to safeguard Danish jobs.
8. Bibliography


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9. Appendix

Appendix 1: Creating the Population

To identify subsidiaries within the definition, databases were needed that could create lists according to the criteria. In determining the suitability of a data source the main criteria were that the data source included information about the company’s country of origin and employment figures for both the Danish and the worldwide operations. Both of these issues proved quite problematic, and hence, it was necessary to combine a number of different sources. The two main databases that were used to create the population were Amadeus and CD-direct, as these databases contain information about number of employees and country of origin. However, both databases had some challenges in relation to create complete lists for all criteria at the same time.

With regards to number of employees, Amadeus could not run simultaneous searches for both number of employees within both Denmark and worldwide, whereas CD-direct did not provide information about employment figures for operations outside Denmark. Furthermore, both databases had the challenge that some sister companies or subsidiaries were listed under different names. In these cases, duplications were removed. Also, company data about country of origin and ownership were sometimes inaccurate or unavailable. As a consequence of these insufficiencies, additional sources were used to complete the populations. Each company lacking accurate or comprehensive data was examined individually by using online data such as GreensOnline, Hoover’s, Yahoo Finance or the official company websites in order to fill out missing company information about country of origin, ownership and number of employees. Additionally, the lists generated from the two databases varied from each other. The initial search on Amadeus generated 240 foreign owned subsidiaries whereas CD-direct found 330 foreign owned firms within the criteria. However to some extend there was a lack of agreement between the two lists, as CD-direct identified 122 foreign owned companies that Amadeus had not included. This served to increase the population, meaning that the list was more comprehensive than each database could have generated. However, there was no obvious pattern explaining the differences between the two lists which could question the reliability of both data sources.

More specifically, the searches in Amadeus were done in two steps: one for foreign owned controlling companies, and one for foreign owned subsidiaries. First the list of controlling companies was based on the total number of employees being more than 500 worldwide. Furthermore, the company should additionally have at least one subsidiary in Denmark. Since it was not possible to combine size criteria in
the searches, the list included a number of companies with inaccurate or missing subsidiary employment figures. Another challenge was that some of the foreign-owned controlling companies figuring on the list did not have any Danish operations. These companies were discarded as they did not fit the definition. Secondly, a list of foreign owned subsidiaries operating in Denmark with more than 100 employees was created. The result was a large number of subsidiaries, but with little or inaccurate data regarding the controlling companies. More than 260 subsidiaries did not list a controlling company at all. Additionally, it included 120 subsidiaries with no information about employment figures, or about the country of origin. The lists also contained many companies appearing multiple times, plus a number of subsidiaries that were not controlled by foreign companies. After cleaning the data for these deficiencies, the two searches from Amadeus were finally merged, leaving out all companies that did not fit the definition, and a list of 240 foreign owned subsidiaries were created.

Likewise in CD-direct a list of foreign-owned companies with at least 100 employees operating in Denmark was generated. The main deficiency with CD-direct was that the database only provided data about employees in the Danish operations. Also, there was lack of accurate company data regarding number of employees, country of origin, duplicates, and ownership. Regarding ownership, CD-direct did not necessarily provide the ultimate controlling company like Amadeus, but rather the intermediate or local controlling companies. However, this deficiency was eliminated when gathering contact information from Amadeus about HR-managers (see below), as information about the ultimate controlling company also were collected in this process for the whole population, and hereby were validated again. After discarding all duplications and cleaning the data from companies that did not fit the definition, the listed make in CD-direct contained 330 foreign owned subsidiaries.

Finally, the list from respectively Amadeus and CD-direct were combined, and the merged population of foreign owned subsidiaries were created. For the remaining companies that still lacked information, these were checked again with online data sources (e.g. GreensOnline, Hoover’s and company websites). This list of companies was additionally validated by double-checking it with a list of the 100 largest companies in Denmark. Ultimately all companies that did not offer reliable information were deleted from the population, resulting in a population of 358 foreign owned subsidiaries, before the screening process.
Appendix 2: Questionnaire Foreign-based – English version

SURVEY OF EMPLOYMENT PRACTICES OF MULTINATIONAL COMPANIES OPERATING IN DENMARK

SECTION A: INTRODUCTION

(Q1) Please select a language:

English .......................... 1
Danish .......................... 2

First page:

EMPLOYMENT PRACTICES OF MULTINATIONAL COMPANIES

Welcome to the survey!

The completion of the survey is expected to take about 30-40 minutes. You can stop any time, save your entries and resume the completion of the survey later. You can navigate forward and backward by using the arrows at the top and the bottom of the page. We highly recommend saving the survey after completion of each page.

Thank you very much for taking the time to participate in this study.

(Q2) A1. Can you confirm that the company is wholly or majority foreign-owned? By “majority owned“ we mean at least 50% is owned by a foreign-based company

Yes .................. 1
No ....................... 2

IF NO ⇒ REVERT TO PAGE ASKING FOR CONTACT INFO

Page for contact info:

To the previous question you replied that your company is not majority Foreign owned (that at least 50% is owned by a Danish-based company). If this is correct, please write your e-mail below and we will invite you to the survey of Danish-owned firms. If your company is Foreign-owned please return to the previous page and correct your response to the previous question.

[box name] [box E-mail]
If the ownership structure is more complicated please contact us by entering your message and email below. Please click finish to submit your response.

[box name] [box e-mail] [box message]

Thank you very much for taking the time to participate in this study.

(Q8) A2. What is the name of the Danish operations that you work for? By Danish operations we mean the operational units of the worldwide company located in Denmark.

________________________________________________

(Q6) A3. What is the name of the ultimate controlling company you work for?

[COMPANY NAME]

________________________________________________

(Q9) A4. In which country is the operational headquarters of your ultimate controlling company located?

------------------------------------------------------------------------

(Q3) A5. Are you located at?

- The global HQ of the worldwide company...☐1
- The HQ of the operating units in Denmark...........☐2
- (Q03) Other (please specify) __________________________...☐3

(Q4) A6. What is your job title?

HR/Personnel Director........................................... ☐1
HR/Personnel Senior Manager/Manager........................☐2
HR/Personnel Senior Officer....................................☐3
HR/Personnel Officer..........................................☐4
HR/Personnel Executive........................................... ☐ 5
HR/Personnel Assistant........................................... ☐ 6
(Q04) Other (please specify)........................................... ☐ 7

(Q5) A7. How long have you worked for the company in Denmark?
Pleas write number of years ____________________________

A8. For which of the following policy levels do you have any HR responsibilities:

Tick all that apply

(D7_1) Global HR policy........................................... ☐ 1
(D7_2) Regional HR policy........................................... ☐ 1
(D7_3) HR policy in Denmark........................................... ☐ 1
(D7_4) Other (please specify) (Q07) ____________ ☐ 1

In the rest of the questionnaire when we ask you questions about [COMPANY NAME] in Denmark, we would like you to think of all operation units in Denmark.

(Q10) A9. In how many foreign countries does the company have operating sites?

1 country............................................................ ☐ 1
2 – 5 countries..................................................... ☐ 2
6 or more countries............................................. ☐ 3

(Q11) A10. Does [company name] in Denmark have?

1 site................................................................. ☐ 1
2 – 5 sites.......................................................... ☐ 2
6 or more sites.................................................... ☐ 3

(Q12) A11. What is the total number of employees worldwide including Denmark by headcount?

Up to 99 employees ............................................. ☐ 1
100 – 499 employees............................................. ☐ 2
500 – 999 employees............................................. ☐ 3
1,000 – 4,999 employees........................................... ☐ 4
5,000 – 29,999 employees......................................... ☐ 5
30,000 – 59,999 employees....................................... ☐ 6
60,000 +............................................................. ☐ 7
A12. What is the total number of employees by headcount in the following geographical regions?

(Q21) Denmark

(Q22) Europe (excluding Denmark)

(Q23) North America

(Q24) Asia-Pacific

(Q25) Rest of the world

Up to 99 employees .................................................. 1
100 – 499 employees................................................. 2
500 – 999 employees................................................. 3
1,000 – 4,999 employees........................................... 4
5,000 + employees................................................... 5
None........................................................................... 6
Don’t know ................................................................. 7

A13. Please estimate the approximate number of employees in [COMPANY NAME] in Denmark in each of the following core functions.

Number

(Q15) Research & Development (R&D) ..............

(Q16) Manufacturing Operations

(Q17) Sales and Marketing

(Q18) Customer Service

(Q19) Business Services (finance, IT, payroll, etc)

(Q20) Other

A14. When was the worldwide company first established?
Please write the year

____________(year)

A15. What year did it establish its first foreign operation?
Thinking of the first significant investment outside of country of origin – ignoring minor sales presence.

____________(year)
(Q27) A16. What year did the worldwide company first establish in Denmark?

Thinking of the first significant investment in Denmark - ignoring minor sales presence.

___________ (year)

(Q28) A17. Was this through…?

A Greenfield investment ...... 1
A merger or acquisition ...... 2
Other (please specify) ........ 3

(Q028) ______________________________

A18. How many of the top five management positions in the [Company Name] in Denmark are filled by…?

(Q26) Individuals who previously worked for the company in country of origin?

None 1
Don’t know 2

Number 3 (Q026) __________

(Q29) Individuals from other parts of the world-wide company?

i.e. outside Denmark but not the country of origin

None 1
Don’t know 2

Number 3 (Q029) __________

A19. To what degree (percentage) has the following changed in the worldwide company in the last 3 years?

Can be both positive and negative. Only approximate numbers are necessary.
(Q35) Number of employees _____ (%) 

(Q36) Sales _____ (%) 

(Q37) A20. Approximately what percentage of revenues of [COMPANY NAME] comes from sales abroad? 

0% ........................................  □ 1 
1-25% ......................................  □ 2
26-50% .....................................  □ 3
51-75% .....................................  □ 4
76-100% ...................................  □ 5
Don't know....................................  □ 6

(Q38) A21. Is the worldwide company state or partly state owned? 

Yes.............  □ 1      No.............  □ 2      Don't Know ......  □ 3

(Q39) A22. Is the worldwide company privately owned or are its shares publicly traded? 

Privately owned .......................  □ 1      Publicly traded ............  □ 2

(Q30) A23. Which of the following statements best describes the [COMPANY NAME] in Denmark? 

The company produces...

A single product or service that accounts for more than 90% of sales ..................................□ 1

A number of products and services but one of these accounts for between 70% and 90% of sales...□ 2

A number of products and services but no single one of these accounts for more than 70% of sales..□ 3

A range of unrelated products and services...........................................................................□ 4

Don’t know..........................................................................................................................□ 5

(Q31) A24. Which of the following statements best describes the worldwide operations? 

The worldwide company produces...

A single product or service that accounts for more than 90% of sales .................................□ 1

A number of products and services but one of these accounts for between 70% and 90% of sales...□ 2
A number of products and services but no single one of these accounts for more than 70% of sales...

A range of unrelated products and services

Don’t know

(Q32) A25. Is the worldwide company’s most important product, service or brand (or group of products, services or brands)...

Help: With ‘most important’ we want you to think of the product, service or brand that generates the most revenue.

Adapted significantly to national markets .................................................................................................................. □ 1
Adapted to different regions of the world but standardised within them ........................................... □ 2
Standardised globally .............................................................................................................................................. □ 3
Don’t know .......................................................................................................................................................... □ 4

(Q33) A26. Are any of the components, products and services of [company name] in Denmark produced for operations of the worldwide company based outside Denmark?

Yes – all.................................................. □ 1
Yes – some but not all........................ □ 2
No – none............................................. □ 3
Don’t know............................................. □ 4

(Q34) A27. Do other parts of the worldwide company supply components, products or services to [company name] in Denmark?

Yes............................................. □ 1
No............................................... □ 2
Don’t know........................ □ 3

SECTION B: WORKFORCE COMPOSITION
Throughout the questionnaire the focus will be on your policies and practices in relation to the following two main groups of staff:

1. **Managers** – employees who primarily manage the organisation, or a department, subdivision, function, or component of the organisation and whose main tasks consist of the direction and coordination of the functioning of the organisation. In other words managers refer to those above the level of first-line supervision.

2. **The LOG (largest occupational group)** – the largest non-managerial occupational group among the employees in the ‘headcount’ in Denmark. For example, in a manufacturing business it might be semi-skilled operators, and in an insurance company it might be call centre staff.

(Q40) B1. Approximately how many managers are there in the [COMPANY NAME] in Denmark?

<table>
<thead>
<tr>
<th>Range</th>
<th>Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>1 – 9</td>
<td>2</td>
</tr>
<tr>
<td>10 – 24</td>
<td>3</td>
</tr>
<tr>
<td>25 – 49</td>
<td>4</td>
</tr>
<tr>
<td>50 – 99</td>
<td>5</td>
</tr>
<tr>
<td>100 – 249</td>
<td>6</td>
</tr>
<tr>
<td>250 – 499</td>
<td>7</td>
</tr>
<tr>
<td>500 – 749</td>
<td>8</td>
</tr>
<tr>
<td>750 – 999</td>
<td>9</td>
</tr>
<tr>
<td>1000 – 2999</td>
<td>10</td>
</tr>
<tr>
<td>3000 – 4999</td>
<td>11</td>
</tr>
<tr>
<td>5000+</td>
<td>12</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>13</td>
</tr>
</tbody>
</table>

(Q41) B2. Approximately, how many LOG are there in [company name] in Denmark?

Help: This includes staff who works regularly, but excludes occasional staff. By regularly we mean there is a mutual expectation that the employee works on an ongoing basis for your company.

<table>
<thead>
<tr>
<th>Range</th>
<th>Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>1 – 9</td>
<td>2</td>
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<tr>
<td>10 – 24</td>
<td>3</td>
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<tr>
<td>25 – 49</td>
<td>4</td>
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<td>50 – 99</td>
<td>5</td>
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<tr>
<td>100 – 249</td>
<td>6</td>
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<tr>
<td>250 – 499</td>
<td>7</td>
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<td>500 – 749</td>
<td>8</td>
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<td>750 – 999</td>
<td>9</td>
</tr>
<tr>
<td>1000 – 2999</td>
<td>10</td>
</tr>
<tr>
<td>3000 – 4999</td>
<td>11</td>
</tr>
<tr>
<td>5000+</td>
<td>12</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>13</td>
</tr>
</tbody>
</table>
SECTION C. THE HR FUNCTION

(Q42) C1. What percentage of the managers spend the majority of their time on HR matters in [COMPANY NAME] in Denmark?

_____________%

C2. On which of the following issues is information on the operating units in Denmark monitored by management outside of Denmark?

Help: By "A HIGHER ORGANIZATIONAL LEVEL" we mean e.g. SENIOR MANAGEMENT IN DENMARK, INTERNATIONAL BUSINESS HQ, EUROPEAN HQ (IN DENMARK OR ELSEWHERE) OR GLOBAL HQ.

Please tick all that apply

(D43_1) Managerial pay packages.................................................................☐ 1
(D43_2) Management career progression....................................................☐ 1
(D43_3) Overall labour costs............................................................................☐ 1
(D43_4) Numbers employed (headcount)......................................................☐ 1
(D43_5) Staff turnover.....................................................................................☐ 1
(D43_6) Absenteeism......................................................................................☐ 1
(D43_7) Labour productivity............................................................................☐ 1
(D43_8) Workforce composition by diversity (e.g. gender, ethnicity, disability etc.)☐ 1
(D43_9) Employee attitude and satisfaction......................................................☐ 1
(D43_10) None of these..................................................................................☐ 1
(D43_11) Don’t know......................................................................................☐ 1
(D43_12) Other (please specify) (QO43)............................................................☐ 1

(Q44) C3. Is there a body within the worldwide company, such as a committee of senior managers, that develops HR policies that apply across countries?

Yes...........☐ 1 ⇒ Go to C4 Yes...........☐ 2 ⇒ Go to C5 No...........☐ 3 ⇒ Go to C5

(Q45) C4. Is there someone from Denmark on this body/committee?

Yes ................. ☐ 1 No ................. ☐ 2 Don’t know ................. ☐ 3

(Q46) C5. Are HR managers from different countries brought together in a systematic way?

Yes – on a global basis ☐ 1 Yes – on a regional basis ☐ 2 No ☐ 3 Don’t know ............ ☐ 4

C6. How frequently does contact between HR managers in different countries take place through any of the following mechanisms:

Weekly Monthly Quarterly Annually Other Ad hoc Never

(Q47) Regular meetings.................................................... ☐ 1 .................... ☐ 2 ........... ☐ 3 ......... ☐ 4 ........... ☐ 5 .......... ☐ 6 ....... ☐ 7
Now think about your company’s approach concerning its management of employees.

C7. To what extent do you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>N/A</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Q51) There is a worldwide approach covering all global operations</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>(Q52) There is a regional approach covering all European operations</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>(Q53) The development of a specific approach is left to international product, service or brand based divisions</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>(Q54) The development of a specific approach is left to national operating companies</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>(Q55) The approach is really a mix of the traditions of the different national operating companies</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>(Q56) Traditions in the country of origin have an overriding influence on the approach to the management of employees</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

C8. Has [COMPANY NAME] in Denmark provided any new practices in the following areas that have been taken up elsewhere in the worldwide company:

<table>
<thead>
<tr>
<th></th>
<th>No, in few parts of the firm</th>
<th>Yes, in major businesses</th>
<th>Yes, taken up globally</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Q57) Pay and performance management</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
SECTION D. PAY AND PERFORMANCE MANAGEMENT

D1. Is there a system of regular formal appraisal for each of the following groups of employees in [COMPANY NAME] in Denmark?

Yes
No
Don’t know

(Q61) For LOG .................................................. 1 .......................... 2 .......... 3
(Q62) For managers.................................................. 1 .......................... 2 .......... 3

IF NEITHER STAFF GROUP IS CODED ‘YES’ ⇒ GO TO D7
IF ONLY ONE CODED ‘YES’ ⇒ GO TO D2
IF BOTH STAFF GROUPS ARE CODED ‘YES’ ⇒ GO TO D2

D2. Is a ‘forced distribution’ applied to the results of appraisals for the following employee groups in [COMPANY NAME] in Denmark?

Help:
By forced distribution we mean a certain % of employees have to be in a particular performance category or rating, e.g. 10% are poor performers, 70% are reasonable performers, and 20% are top performers

Please include formal and informal policy.

Yes
No
Don’t know

(Q63) For LOG .................................................. 1 .......................... 2 .......... 3
(Q64) For managers.................................................. 1 .......................... 2 .......... 3

IF NEITHER STAFF GROUP IS CODED ‘YES’ ⇒ GO TO D4
IF ONLY ONE CODED ‘YES’ ⇒ GO TO D3
IF BOTH STAFF GROUPS ARE CODED ‘YES’ ⇒ GO TO D3

D3. What is the top and bottom percentages of this forced distribution for each of the following employee groups in [COMPANY NAME] in Denmark?

For LOG: .................................................. Top (Q65.0) % Bottom (Q65.1) %
For managers: ........................................... Top (Q66.0) % Bottom (Q66.1) %
(D66.2_1) Don’t know (For managers Top)............. 1

(D66.2_2) Don’t know (For managers Bottom) ..... 1
(D65.2_1) Don’t know (For LOG Top) .................. 1

(D65.2_2) Don’t know (For LOG Bottom) .................. 1

D4. Is a formal system of ‘360-degree’ feedback used in evaluating performance of any of these groups of employees in [COMPANY NAME] in Denmark?

[CODE ONE FOR EACH GROUP]

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Q74) For LOG .................. 1 .......... 2 .......... 3
(Q75) For managers .................. 1 .......... 2 .......... 3

D5. Are the outcomes of performance appraisal used as inputs in decisions on redundancy and redeployment in the [COMPANY NAME] in Denmark?

Yes, Yes, No N/A Don’t know

as a formal input as an informal input

in decisions in decisions

(Q67) For LOG Name .................. 1 .......... 2 .......... 3 .......... 4 .......... 5
(Q68) For managers .................. 1 .......... 2 .......... 3 .......... 4 .......... 5

D6. Thinking about the MANAGERS in [COMPANY NAME] in Denmark, on a scale of 1-5 how important are the following kinds of performance evaluation?

Not at all important Very important Don’t know

(e.g. financial, numerical)

(Q69) Individual quantitative output targets ........... 1 .......... 2 .......... 3 .......... 4 .......... 5 .......... 6

(e.g. completion of a task)

(Q70) Individual qualitative output targets ........... 1 .......... 2 .......... 3 .......... 4 .......... 5 .......... 6

(Q71) Group output targets ........... 1 .......... 2 .......... 3 .......... 4 .......... 5 .......... 6
(e.g. for site or business unit)

(Q72) ‘Competences’ or personal skills ....... □1 □2 □3 □4 □5

........................□6

(e.g. leadership or innovation skills)

(Q73) Behaviour in relation to corporate ‘values’ ....□1 □2 □3 □4 □5

........................□6

D7. Does [Company Name] in Denmark offer employee share ownership, profit sharing or share options to any employees in each of these groups?

<table>
<thead>
<tr>
<th></th>
<th>(Q76.0)</th>
<th>(Q76.1)</th>
<th>(Q76.2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee share ownership</td>
<td>Yes</td>
<td>No</td>
<td>Don't Know</td>
</tr>
<tr>
<td>Profit Sharing</td>
<td>Yes</td>
<td>No</td>
<td>Don't Know</td>
</tr>
<tr>
<td>Share Options</td>
<td>Yes</td>
<td>No</td>
<td>Don't Know</td>
</tr>
</tbody>
</table>

For LOG ................. □1 □2 □3

(Q77.0) | (Q77.1) | (Q77.2)
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee share ownership</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Profit Sharing</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Share Options</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

For managers ................. □1 □2 □3

Help:

1. **Approved employee share ownership scheme** is where the organisation establishes a trust which acquires shares on behalf of employees and provides employees with part ownership of the company.
2. **Profit sharing** refers to rewards given to employees in addition to normal salary and bonuses which are dependent on the levels of profit in the business.
3. **Share options** is where employees are given the option of buying company shares, often at a reduced rate.
D8. Is there variable pay for the following groups in [COMPANY NAME] in Denmark?

Help: By variable pay we mean merit pay, performance related pay, performance related bonuses or payment by results.

Yes  No  Don’t Know

(Q78) For [LOG Name] .......................................................... 1 .......................... 2 .......................... 3
(Q79) For managers .......................................................... 1 .......................... 2 .......................... 3

IF ‘YES’ FOR LOG AT D8, ASK  D9, IF ‘NO’, GO TO D10

D9. For LOG receiving variable pay in [COMPANY NAME] in Denmark, how important are each of the following factors in determining variable pay?

(Q80) Individual performance ............................................. 1 ............ 2 ............ 3 ............ 4 ............ 5 ............ 6

(Q81) Work group performance
(e.g. team or departmental performance) ............................................. 1 ............ 2 ............ 3 ............ 4 ............ 5 ............ 6

(Q82) Organizational performance
(e.g. site, region, company) ............................................. 1 ............ 2 ............ 3 ............ 4 ............ 5 ............ 6

D10. To what extent does [COMPANY NAME] in Denmark have discretion over the determination of the following aspects of pay and performance policy?

Use codes 1-5 from

Aspect of pay and performance policy  Use codes 1-5  N/A  Don’t know

(Q83) Relating pay levels in [COMPANY NAME] in Denmark to market comparators (e.g. aiming to be in top quartile) ............................................. 7 ............ 6

(Q84) Employee share ownership schemes in [COMPANY NAME] in Denmark ............................................. 7 ............ 6

Performance appraisal system:
(Q85) For MANAGERS ............................................. 7 ............ 6
(Q87) For LOG ............................................. 7 ............ 6

Variable payments scheme:
E. TRAINING, DEVELOPMENT AND ORGANISATIONAL LEARNING

(Q89) E1. What percentage of the annual pay bill in [COMPANY NAME] in Denmark was spent on training and development for all employees over the past 12 months?

- 0% ................................................. 1
- Up to 1% ....................................... 2
- Over 1% and less than 4% ................. 3
- Over 4% ....................................... 4
- Don’t Know ................................. 5

(Q90) E2. Thinking of [COMPANY NAME] in Denmark is there a formal system of succession planning for senior managers?

- Yes in all operations .................. 1 ⇒ Go to E3
- Yes in some operations .............. 2 ⇒ Go to E3
- No ............................................. 3 ⇒ Go to E4
- Don’t Know ............................... 4 ⇒ Go to E4

(Q91) E3. Is this system also used in other parts of the worldwide company?

- Yes in all operations .................. 1
- Yes in some operations .............. 2
- No ............................................. 3
- Don’t Know ............................... 4

(Q92) E4. Does [COMPANY NAME] in Denmark have a management development programme specifically aimed at developing its ‘high potentials’ or senior management potential?

- Yes in all operations .................. 1 ⇒ Go to E5
- Yes in some operations .............. 2 ⇒ Go to E5

N/A: There is no clear separation between higher levels of management (e.g. international business HQ, European HQ or global HQ) and management of the Danish operations.
(Q93) E5. Is this system also used in other parts of the worldwide company?

- Yes in all operations .............................................
- Yes in some operations ...........................................
- No ........................................................................
- Don’t Know ................................................................

⇒ Go to E6

(E6) How extensively are each of the following techniques used for the development of these managers in [COMPANY NAME] in Denmark?

<table>
<thead>
<tr>
<th>Technique</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term International assignments (12 months or less)</td>
<td>Not used at all</td>
<td>A little use</td>
<td>Some use</td>
<td>Used quite extensively</td>
<td>Used very extensively</td>
</tr>
<tr>
<td>Long term international assignments (more than 12 months)</td>
<td>Not used at all</td>
<td>A little use</td>
<td>Some use</td>
<td>Used quite extensively</td>
<td>Used very extensively</td>
</tr>
<tr>
<td>Formal global management training</td>
<td>Not used at all</td>
<td>A little use</td>
<td>Some use</td>
<td>Used quite extensively</td>
<td>Used very extensively</td>
</tr>
</tbody>
</table>

Use codes 1-5

N/A

Enter one code only

(Q94) Short term International assignments (12 months or less) .............................................

(Q95) Long term international assignments (more than 12 months) .............................................

(Q96) Formal global management training .................................................................

(Q97) Assessment of performance against a set of global management competencies .................................

(Q98) Qualifications programme (e.g. MBA, professional qualifications) ...................................................

(Q99) E7. How many expatriates from the company’s foreign operations are currently working on long-term assignments (i.e. more than 12 months) in Denmark? Please include all types of long-term assignments for any purpose.

Type 0 if none.

Help:

Expatriates in this question refers to employees from operating companies outside Denmark who are currently working on assignment in Denmark.

Number ........... 2  (Q099)  Don’t know ........... 1
(Q100) E8. How many expatriates from [COMPANY NAME] in Denmark are currently working on long-
term (i.e. more than 12 months) assignments overseas? Please include all types of long-term
assignments for any purpose.

Type 0 if none.

Help:

Expatriates in this question refers to employees of the company’s operations in Denmark who are currently on assignment in
operations of the worldwide company abroad.

Number........□2_______ (Q0100) Don’t know........□1

E9. To what extent do you agree with each of the following statements for LOG in [COMPANY NAME] in
Denmark:

(Q105) On-the-job learning (experience
gained on the job) is more valuable than off-the-job
classroom training and development ............ □1 ............ □2.............□3 ............ □4 ............ □5 ............ □6

(Q106) Investment in training is critical to either
developing or retaining key skills in this company ....□1 ............ □2.............□3 ............ □4 ............ □5 ............ □6

E10. To what extent do you agree with each of the following statements for MANAGERS in [COMPANY
NAME] in Denmark:

(Q103) Our company favours internal promotion over
external management recruitment .................................. □1 ............ □2.............□3 ............ □4 ............ □5 ............ □6

(Q104) International experience is a key criterion
for career progression at senior levels. ................................. .................................

In this section you will be asked about the mechanisms you use for organisational learning on an international level. By this we mean mechanisms used to create new knowledge involving MANAGERS from different country operations or to transfer knowledge across the international organisation.

(Q101) E11. Thinking of [COMPANY NAME] in Denmark is there a formal policy on organisational learning?

Yes in all operations .......... □₁  ⇒ Go to E12
Yes in some operations ....... □₂  ⇒ Go to E12
No ..................................... □₃  ⇒ Go to E13
Don’t Know ...................... □₄  ⇒ Go to E13

(Q102) E12. Is this system also used in other parts of the worldwide company?

Yes in all operations .......... □₁  Yes in some operations..... □₂  No ........ □₃  Don’t Know ....... □₄

(Q107) E13. To what extent is the organizational learning policy for the [COMPANY NAME] in Denmark and the worldwide company similar?

Not at all similar ............................... □₁  Highley similar .............................. □₂  Don’t know ................................................ □₃  

E14. Thinking about MANAGERS, do [COMPANY NAME] in Denmark use any of the following to facilitate international organisational learning?

Yes  No  Don’t Know

(Q108) Expatriate assignments .......................................................... □₁  ........... □₂ ........ □₃
(Q109) International project groups or task forces ................................ □₁  ........... □₂ ........ □₃
(Q110) International formal committees’ ............................................. □₁  ........... □₂ ........ □₃
(Q111) International informal networks ............................................. □₁  ........... □₂ ........ □₃
(Q112) Secondments to other organisations internationally (e.g. to suppliers, customers, universities, private R&D facilities) ................................ □₁  ........... □₂ ........ □₃

[ONLY ASK E15 IF MORE THAN ONE ‘YES’ CODED IN E14. OTHERWISE GO TO E16]

(Q113) E15. Which of these is the most important international organisational learning mechanism used by managers within [COMPANY NAME] in Denmark?

Expatriate assignments .......................................................... □₁
International project groups or task forces ................................ □₂

(ONLY ASK E15 IF MORE THAN ONE ‘YES’ CODED IN E14. OTHERWISE GO TO E16)
E16. Using the scale below, to what extent do [company name] in Denmark have discretion over determining the following training and development policies?

<table>
<thead>
<tr>
<th>Training and development policy</th>
<th>Don't Know</th>
<th>NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Q114)</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policy on organisational learning</th>
<th>Don't Know</th>
<th>NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Q115)</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policy on succession planning for senior managers</th>
<th>Don't Know</th>
<th>NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Q116)</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

N/A: There is no clear separation between higher levels of management (e.g. international business HQ, European HQ or global HQ) and management of the Danish operations.

F. EMPLOYEE INVOLVEMENT AND COMMUNICATION

This section is about policies on employee involvement and communication, starting with the involvement of employees in the work process.

F1. Could you tell me whether you use the following practices in relation to the LOG in [COMPANY NAME] in Denmark?

Yes No Don't Know

(Q117) Formally designated teams in which employees have responsibility for organising their work and carrying out a set of tasks……………………………...□ 1 □ 2 □ 3

(Q118) Groups where employees discuss issues of quality, production or service delivery such as problem-solving or continuous improvement groups…………………………………………...□ 1 □ 2 □ 3
(Q119) F2. Which of the following most closely corresponds to the pattern of employee involvement in [COMPANY NAME] in Denmark?

An identical or similar pattern exists across all or most sites ...........................................☐ 1
All or most sites have involvement systems, but they differ from site to site .............................☐ 2
Some sites have involvement systems while others do not .....................................................☐ 3
Not applicable (1 site only in Denmark) ..................................................................................☐ 4
Don’t Know...............................................................................................................................☐ 5

F3. How important have each of the following been in providing examples of employee involvement that have been taken up in [COMPANY NAME] in Denmark?

Not drawn on at all Source of v. important examples

(Q120) Specific practices elsewhere in the worldwide company .............................................  1 ............ 2 ............ 3 ............ 4 ............ 5

(Q121) Formal model of good practice codified elsewhere in worldwide company ..................  1 ............ 2 ............ 3 ............ 4 ............ 5

(Q122) Examples drawn from other firms ..................................................................................  1 ............ 2 ............ 3 ............ 4 ............ 5

(Q123) F4. Does the [COMPANY NAME] regularly use teamwork or other employee involvement practices in your operating companies outside Denmark?

Yes .............. ☐ 1 No .............. ☐ 2 Don’t Know ............. ☐ 3

(Q124) F5. Would you say that practices in relation to employee involvement in the worldwide company are:

Very similar across all operations ................. .................................................. ☐ 1
Broadly similar but with some variations ................................................................. ☐ 2
Similar to some extent but with substantial variations ................................................. ☐ 3
Fairly diverse ............ ................................................................. ☐ 4
Very diverse ............ ................................................................. ☐ 5
Don’t know ............ ................................................................. ☐ 6

(Q125) F6. Does [company name] regularly use project teams or task forces, embracing employees other than managers, that function across more than one operating unit in Denmark?
Yes..............☐ 1  No...............☐ 2  N/A .................☐ 3  Don’t Know....☐ 4

IF F6 = YES ASK F7; IF NO, N/A OR DK GO TO F9

(Q126) F7. Do these groups in Denmark also include employees from outside Denmark?

Yes..............☐ 1  No...............☐ 2  N/A .................☐ 3  Don’t Know....☐ 4

IF F7 = YES ASK F8; IF NO GO TO F9

(Q127) F8. How common is the cross-national structure of these teams?

Very rare  Very common

..........................................................................................☐ 1 ...............☐ 2 ...........☐ 3 .........☐ 4.............☐ 5

F9. Which of the following communication mechanisms are regularly used for the LOG within [COMPANY NAME] in Denmark?

Yes  No  Don’t Know

(Q129) Meetings between senior MANAGERS and the whole of the work force
..........................................................................................☐ 1 ...............☐ 2 ...........☐ 3

(Q130) Meetings between line managers or supervisors and employees (sometimes called briefing groups)
..........................................................................................☐ 1 ...............☐ 2 ...........☐ 3

(Q131) Attitude or opinion surveys
..........................................................................................☐ 1 ...............☐ 2 ...........☐ 3

(Q132) Suggestion schemes
..........................................................................................☐ 1 ...............☐ 2 ...........☐ 3

(Q133) Systematic use of management chain to cascade information
..........................................................................................☐ 1 ...............☐ 2 ...........☐ 3

(Q134) Newsletters or emails
..........................................................................................☐ 1 ...............☐ 2 ...........☐ 3

(Q135) A company intranet providing information to employees’
..........................................................................................☐ 1 ...............☐ 2 ...........☐ 3

F10. Which of the following types of information is regularly provided to the LOG within [COMPANY NAME] in Denmark?

Yes  No  Don’t Know

(Q136) Financial position of the company
..........................................................................................☐ 1 ...............☐ 2 ...........☐ 3

(Q137) Investment plan for the company
..........................................................................................☐ 1 ...............☐ 2 ...........☐ 3

(Q138) Staffing plans for the company
..........................................................................................☐ 1 ...............☐ 2 ...........☐ 3

F11. Which of the following types of information is regularly provided to the LOG within [COMPANY NAME] about the worldwide company?

Yes  No  Don’t Know

(Q139) Financial position of the company
..........................................................................................☐ 1 ...............☐ 2 ...........☐ 3

(Q140) Investment plan for the company
..........................................................................................☐ 1 ...............☐ 2 ...........☐ 3

(Q141) Staffing plans for the company
..........................................................................................☐ 1 ...............☐ 2 ...........☐ 3
(Q128) F12. Are there project teams or task forces embracing employees other than managers that function across more than one operating unit, used in foreign operations?

Yes  ⓜ₁ ................. No  ⓜ₂ ............... NA  ⓜ₃ ............... Don’t Know  ⓜ₄

F13. To what extent does [COMPANY NAME] in Denmark have discretion over the determination of the following aspects of employee involvement and communication policy?...

The operating company in Denmark have...

<table>
<thead>
<tr>
<th>Use codes 1-5</th>
<th>Don’t Know</th>
<th>Not Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Q142) Involvement of employees in work process, e.g. team work or problem-solving groups</td>
<td>☐ 6............... ☐ 7</td>
<td></td>
</tr>
<tr>
<td>(Q143) Attitude or opinion surveys</td>
<td>☐ 6............... ☐ 7</td>
<td></td>
</tr>
<tr>
<td>(Q144) Suggestion schemes</td>
<td>☐ 6............... ☐ 7</td>
<td></td>
</tr>
<tr>
<td>(Q145) Provision of information to employees</td>
<td>☐ 6............... ☐ 7</td>
<td></td>
</tr>
</tbody>
</table>

N/A: There is no clear separation between higher levels of management (e.g. international business HQ, European HQ or global HQ) and management of the Danish operations.

SECTION G. EMPLOYEE REPRESENTATION AND CONSULTATION

The following questions are about employee representation, employee influence and unions. The questions aim to identify possible differences in cooperative culture in the countries in which your company is operating, and to elaborate if different kinds of cooperation influence HR-policies across borders.
(Q148) G1. How would you describe the policy of management towards union recognition within [COMPANY NAME] in Denmark?

In favour of union recognition ...................  □₁

Not in favour of union recognition...............  □₂

Neutral towards union recognition ............... □₃

(Q146) G2. Thinking of the LOG in [COMPANY NAME] in Denmark, are trade unions recognised for the purposes of collective employee representation at?

No sites in the Danish operations...............  □₁

All sites in the Danish operations...............  □₂

Most sites in the Danish operations.............  □₃

Some sites in the Danish operations.............  □₄

The company’s single Danish site ............... □₅

ASK G3 IF CODE 2, 3, 4 OR 5 AT G2, IF CODE 1 AT G2 GO TO G5

G3. Are there any non-union based structure(s) of collective employee representation used? Tick all that apply

(D147_1) Yes, at sites where there is no trade union recognition............... □₁

(D147_2) Yes, at sites where there is also trade union recognition.......... □₁

(D147_3) No ....................................................................................... . □₁

G4. Is there collective bargaining with trade unions over pay and major conditions (e.g. working time) at any of the following levels covering all or some of the [LOG NAME] within the [COMPANY NAME] in Denmark?

Tick all that apply, multi-code only allowable for codes 2, 4, and 5
At Danish company level, covering all sites........................................... □ 1

At the company’s single Danish site ............................................. □ 1

Covering more than one, but not all Danish sites ............................. □ 1

At individual site level.................................................................................. □ 1

At industry level, covering more than one employer............................... □ 1

There is no collective bargaining over pay.................................................. □ 1

(Q150) G5. Thinking about trade unions in the [COMPANY NAME] in Denmark, what approach do the trade union representatives generally adopt?

A cooperative approach.................................................. □ 1
An adversarial approach.................................................. □ 2
It depends on the issue.................................................. □ 3
Don’t Know.................................................................................. □ 4

ASK G6 IF CODED 2, 3, 4 OR 5 AT G2 (I.E. UNIONS RECOGNISED AT LEAST AT ONE SITE)

G6. Using this rating scale, which best describes the policy towards working with unions on the following matters relating to the [LOG NAME]:

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management decides on its own</td>
<td>...</td>
<td>Management consults union representatives</td>
<td>...</td>
<td>Management decides jointly with union representatives</td>
</tr>
</tbody>
</table>

1 2 3 4 5 Don’t know

(Q151) Work organisation .................................................. □ 1 ............. □ 2 ............. □ 3 ............. □ 4 ............. □ 5 ............. □ 6

(Q152) Sub-contracting and outsourcing.................................................. □ 1 ............. □ 2 ............. □ 3 ............. □ 4 ............. □ 5 ............. □ 6

(Q153) Variable payments schemes .................................................. □ 1 ............. □ 2 ............. □ 3 ............. □ 4 ............. □ 5 ............. □ 6

(Q154) In-work training/ upgrading skills .................................................. □ 1 ............. □ 2 ............. □ 3 ............. □ 4 ............. □ 5 ............. □ 6
(Q155) Direct employee involvement

schemes ..................................................□ 1 ........ □ 2 .......... □ 3 ........ □ 4 ....... □ 5 .... □ 6

G7. Using this rating scale, to what extent does the [COMPANY NAME] in Denmark have discretion over setting the following elements of policy trade unions?

The operating company in Denmark have...

Use codes 1-5

Don’t
Know

Not
Applicable

(Q156) Union recognition ..................................................□ 6 ........ □ 7

(Q157) Scope of union involvement in decision-making ...........□ 6 ........ □ 7

(Q158) To what extent does [the] [COMPANY NAME] outside Denmark have discretion over determining employee consultation policy? ..................................................□ 6 ........ □ 7

1 2 3 4 5

[COMPANY NAME] in Denmark has no discretion (must implement policy set by a higher organisational level such as corporate or regional HQ).

[COMPANY NAME] in Denmark has a little discretion.

[COMPANY NAME] in Denmark has some discretion (can develop policy within the guidelines/framework set by a higher organisational level).

[COMPANY NAME] in Denmark has quite a lot of discretion.

[COMPANY NAME] in Denmark has full discretion (can set own policy).

N/A: There is no clear separation between higher levels of management (e.g. international business HQ, European HQ or global HQ) and management of the Danish operations.

(Q167) G8. Are regular meetings held between management and representatives of employees at this level in the [COMPANY NAME] in Denmark for the purpose of information provision and consultation?

Help:

By “regular” we mean: more than once a year
By “this level” we mean that for example Danish HQ calls in meetings with employee representatives from all the units in Denmark

Yes.................□ 1  No...............□ 2  Don’t Know.......□ 3

ASK G9 IF YES AT G10 [IF NO GO TO G10]

(Q164) G9.  Do these meetings cover ... ?

All employees under a single arrangement ................................................................. □ 1

All employees, but with different arrangements for different groups ........................... □ 2

Some groups of employees under a single arrangement ................................................. □ 3

Some groups of employees, but with different arrangements for different groups .......... □ 4

Other ..................................................................................................................□ 5

(Q165) G10. Which of the following statements best describes management’s relative emphasis in the [COMPANY NAME] in Denmark on mechanisms for communicating and consulting with employees?

Emphasis on direct communication and consultation ................................................... □ 1

Emphasis on indirect communication and consultation (e.g. through joint consultative committee or company council) ......................................................... □ 2

Equivalent emphasis on direct and indirect communication and consultation .............. □ 3

(Q163) G11.  Does the worldwide company have experience of operating with mandatory employee consultation structures (e.g. works councils) that are required in some countries overseas?

Yes □ 1  No □ 2  Don’t Know □ 3

(Q166) G12. Which of the following statements comes closest to capturing the worldwide company’s policy?
There is no policy.................................................................  \(\square 1\)

Minimum compliance with legal requirements
on employee information and consultation..............................  \(\square 2\)

To go somewhat further than legal requirements.....................  \(\square 3\)

To go considerably further than legal requirements...................  \(\square 4\)

Don’t know ............................................................................  \(\square 5\)

(Q162) G13. Over the past 3 years, has the EU Directive on Information and Consultation prompted any changes in arrangements for employee consultation in Denmark?

Yes............... \(\square 1\)   No............... \(\square 2\)   Don’t Know ........ \(\square 3\)

(Q161) G14. Is there a European Works Council (EWC) or similar European-level structure which covers [COMPANY NAME] in Denmark?

Yes....... \(\square 1\) \(\Rightarrow\) Go to G15   No....... \(\square 2\) \(\Rightarrow\) Go to H1   Don’t Know \(\square 3\) \(\Rightarrow\) Go to H1

(Q160) G15. Which of the following statements best describes the overall nature of the European Works Council in Denmark?

Management provides minimal information required for compliance, there is little or no dialogue with employee representatives over issues; and no impact on decision outcomes..............................................................  \(\square 1\)

Management provides information slightly beyond that required for compliance; there is a substantive dialogue with employee representatives on a limited range of issues; and a limited impact on decision outcomes.................................................  \(\square 2\)

Management provides information considerably beyond that required for compliance; there is substantive dialogue with employee representatives over a wide range of issues; and an extensive impact on decision outcomes .........................................................  \(\square 3\)

Don’t Know..............................................................................  \(\square 4\)

(Q159) G16. Do you receive information about the activity and meetings of the EWC?

Systematically at the time of EWC meetings.........................  \(\square 1\)

Periodically, on an ‘as necessary’ basis .................................  \(\square 2\)
Section H: Company Performance

This is the final section of the questionnaire.

H1. How would you compare performance of the [not answered] in Denmark over the past three years with that of other competitors in your sector?

<table>
<thead>
<tr>
<th></th>
<th>Poor</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Q168) Quality of products/services</td>
<td>1...</td>
<td>2... 3... 4... 5...</td>
</tr>
<tr>
<td>(Q169) Development of new products/services</td>
<td>1...</td>
<td>2... 3... 4... 5...</td>
</tr>
<tr>
<td>(Q170) Turnover</td>
<td>1...</td>
<td>2... 3... 4... 5...</td>
</tr>
<tr>
<td>(Q172) Market share</td>
<td>1...</td>
<td>2... 3... 4... 5...</td>
</tr>
<tr>
<td>(Q173) Ability to recruit essential employees</td>
<td>1...</td>
<td>2... 3... 4... 5...</td>
</tr>
<tr>
<td>(Q174) Ability to retain essential employees</td>
<td>1...</td>
<td>2... 3... 4... 5...</td>
</tr>
<tr>
<td>(Q175) Customer/client satisfaction</td>
<td>1...</td>
<td>2... 3... 4... 5...</td>
</tr>
<tr>
<td>(Q176) Manager-employees relations</td>
<td>1...</td>
<td>2... 3... 4... 5...</td>
</tr>
<tr>
<td>(Q177) General employee relations</td>
<td>1...</td>
<td>2... 3... 4... 5...</td>
</tr>
</tbody>
</table>

H2. Please rate the following series of statements about the role of the [company name] in Denmark.

1 = strongly disagree
2 = disagree
3 = neither agree nor disagree
4 = agree
5 = strongly agree

(Q182) The [company name] in Denmark has international responsibility for one or more products or services on behalf of the worldwide company

[ ] 1 ................ [ ] 2 ................... [ ] 3 ................... [ ] 4 ................... [ ] 5

(Q183) Significant expertise in R&D within the worldwide company is generated in the operations in [company name] in Denmark.

[ ] 1 ................ [ ] 2 ................... [ ] 3 ................... [ ] 4 ................... [ ] 5

(Q184) H3. How important is [company name] in Denmark to the global performance of the parent company?

Not at all important ...................... [ ] 1
Of little importance ..................... [ ] 2
Somewhat important .................... [ ] 3
Important ............................... [ ] 4
Very important .......................... [ ] 5
Don’t know .............................. [ ] 6

(Q185) H4. Has this level of importance changed over the past five years?

Significantly decreased ................ [ ] 1
Slightly decreased ....................... [ ] 2
Stayed about the same .................. [ ] 3
Slightly increased ........................ [ ] 4
Significantly increased ................ [ ] 5
Don’t know .............................. [ ] 6

H5. How would you assess?

Poor Outstanding

(Q179) The job satisfaction of the employees at [COMPANY NAME] in Denmark?

[ ] 1 ................ [ ] 2 ................... [ ] 3 ................... [ ] 4 ................... [ ] 5

(Q180) The ability of [COMPANY NAME] in Denmark to retain essential employees?

[ ] 1 ................ [ ] 2 ................... [ ] 3 ................... [ ] 4 ................... [ ] 5

(Q181) The overall performance of [COMPANY NAME] in Denmark?

[ ] 1 ................ [ ] 2 ................... [ ] 3 ................... [ ] 4 ................... [ ] 5
(Q186) H6. How is the performance of [COMPANY NAME] in Denmark relative to competitors?

<table>
<thead>
<tr>
<th>Rank</th>
<th>Poor</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

H7. Please rank the importance of the following factors in influencing decisions on new investments or new mandates for your [COMPANY NAME] in Denmark?

1 being the most important factor and 7 the least important factor.

- (C178_1) Labour Availability
- (C178_2) Labour costs
- (C178_3) The industrial relations climate
- (C178_4) General infrastructure (e.g. transportation)
- (C178_5) Overall operating costs
- (C178_6) The capacity of the [COMPANY NAME] in Denmark to innovate in the development of goods, services and processes
- (C178_7) Financial incentives (including taxes)

Thank you very much for taking the time to participate in this study.

Please let us know if you are interested in ...

Tick all that apply

(D189_1) Receiving a report benchmarking the employment practices of your company relative to the rest of the Danish sample

(D189_2) Participating in a seminar where in-depth results of the worldwide survey will be presented by leading researchers within International Human Resource Management.

(D189_3) Receiving the full result report

Click "Finish" to submit the survey.
Appendix 3: Design features of the web-survey

Using the scale below, to what extent do [not answered] in Denmark have discretion over determining the following training and development policies?
The operating company in Denmark have...

<table>
<thead>
<tr>
<th></th>
<th>... no discretion</th>
<th>... a little discretion</th>
<th>... some discretion</th>
<th>... quite a lot of discretion</th>
<th>... full discretion</th>
<th>Don't know</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and development policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy on organisational learning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy on succession planning for senior managers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N/A: There is no clear separation between higher levels of management (e.g. international business HQ, European HQ or global HQ)

Help:
Appendix 4: Survey Invitation

Subject: Employment Practices of Multinationals: Worldwide Survey

Kære [FULL NAME],

See below for English version.

De inviteres hermed til at deltage i en verdensomspændende spørgeskemaundersøgelse om HR-politikker og HR-praksisser i multinationale selskaber. Den danske del af undersøgelsen udføres af Copenhagen Business School og Københavns Universitet, og vi vil værdsætte Deres bidrag til undersøgelsen.

Undersøgelsen fokuserer på kerneområder inden for HR såsom performance management, belønningssystemer, efteruddannelse, organisatorisk læring, medarbejderinvolvering, kommunikation og medarbejderrepræsentation. Der er allerede indsamlet data i Irland, Storbritannien, Spanien, Canada og Mexico. Tilsvarende undersøgelser er igangsat i Singapore og Norge.

Den danske deltagelse i undersøgelsen giver en unik mulighed for at sammenligne og benchmarke HR-praksisser i danske virksomheder med udenlandske virksomheders HR-praksisser. Desuden vil undersøgelsens resultater kunne bidrage til at belyse betydningen af HR for virksomhedernes performance, ligesom undersøgelsen vil analysere forholdet mellem den danske del af den multinationale virksomhed og andre dele af virksomhedens globale aktiviteter. Endelig vil undersøgelsen vise ligheder og forskelle i medarbejderinvolvering og -repræsentation samt samarbejdsrelationer mellem ledelse og fagforeninger på tværs af nationale grænser.

Hvis De deltager i undersøgelsen, vil vi kunne tilbyde:

- En rapport, der benchmarker Deres virksomheds HR-praktikker i forhold til de andre virksomheder i undersøgelsen (denne rapport er forbeholdt Deres virksomhed)
• En samlet rapport, der belyser relationerne mellem en virksomheds HR-praksis og en række organisatoriske faktorer som performance, HR-struktur, internationaliseringsgrad samt betydningen af virksomhedens nationale tilhørsforhold. Disse data er kun tilgængelige for de deltagende virksomheder.

• En samlet rapport, der sammenligner de danske data med de internationale data.

Dette er et meget dybdegående internationalt forskningsprojekt. Derfor er spørgeskemaet også ganske omfattende. Det vil tage ca. 30 minutter at besvare spørgeskemaet, men besvarelsen kan afbrydes, gemmes og genoptages på et andet tidspunkt. Vi garanterer fuld anonymitet for Deres firma, og resultaterne vil kun blive brugt i videnskabelig sammenhæng.

For deltagelse i undersøgelsen, klik venligst på nedenstående link.

http://ilex.cbs.dk/cgi-bin/qwebcorporate.dll?idx=GT6YPN&lg=english&rk=SJGZBW

På forhånd mange tak for Deres deltagelse i undersøgelsen. Skulle De have spørgsmål eller ønsker De mere information, kan de kontakte Aja Guldhammer Henderson på ah.smg@cbs.dk.

Med venlig hilsen

Dana Minbaeva, ph.d., lektor, Copenhagen Business School, Center for Strategi og Globalisering
Steen E. Navrbjerg, ph.d., lektor, Københavns Universitet, Forskningscenter for Arbejdsmarkeds- og Organisationsstudier (FAOS)

Dear [FULL NAME],

We would like to invite you to take part in a worldwide survey about HR practices of multinational companies. The Danish part of the survey is carried out by Copenhagen Business School and University of Copenhagen.
The survey focuses on key areas of HR practices such as performance management, reward systems, training and development, organizational learning, employee involvement, employee communication and employee representation. This survey as already been carried out in Ireland, United Kingdom, Spain, Canada and Mexico, and parallel surveys are currently being carried out in Singapore and Norway.

The Danish participation will create a unique opportunity to compare and benchmark Danish HR practices with their foreign counterparts on a global level. In addition the analysis can reveal HR drivers of company performance, examine the relationship between Danish operations and other levels of the global company, and shed light on the similarities and differences in employee representation, communication and cooperation with unions in different national contexts.

If you chose to participate in this survey we can offer you:

- A report benchmarking the HR practices of your company relative to the rest of the Danish sample (available only for your company).
- Participation in a seminar where in-depth results are presented by leading international researchers within International Human Resource Management. At this seminar it will be possible to network and share knowledge with other HR practitioners.
- A full result report mapping the relation between a company's HR practices and such organizational factors as performance, structure, degree of internationalization, nationality of ownership, and sector (available only to the participating companies).
- Report comparing the Danish data to the international data.

This is a very comprehensive international research project on HR practices of MNCs. Hence, the list of the questions is quite extensive. It will take about 30 minutes to complete the survey. However, you can stop anytime, save your responses and return to the survey later. We guarantee full anonymity for the information provided by your company. Results will be processed statistically and used for scientific purposes only.

To participate in the survey please click on the link below.

[http://ilex.cbs.dk/cgi-bin/qwebcorporate.dll?idx=GT6YPN&lg=english&rk=SJGZBW](http://ilex.cbs.dk/cgi-bin/qwebcorporate.dll?idx=GT6YPN&lg=english&rk=SJGZBW)

Thank you in advance for your participation in the survey. Should you have any questions or would you like to get more information, please send your requests to Aja Guldhammer Henderson at
We look forward to hearing from you.

Sincerely,

Dana Minbaeva, Ph.D., Associate Professor, Copenhagen Business School, Center for Strategic Management and Globalisation

Steen E. Navrbjerg, Ph.D., Associate Professor, Copenhagen University, Employment Relations Research Center
Appendix 5: 1st Reminder

Kære [FIRST NAME]

See below for English version.

Den 23. april sendte vi Dem en invitation til at deltage i en verdensomspændende spørgeskemaundersøgelse om personalepolitisk praksisser i multinationale selskaber (se den oprindelige e-mail nedenfor). Indsamlingen af data går fremad – men vi mangler stadig Deres svar.

Deres deltagelse i undersøgelsen er af stor betydning for den internationale analyse. Vi vil være meget taknemmelige, hvis De kan finde tid til at udfylde spørgeskemaet. Spørgeskemaet findes på dette link: [SURVEY LINK]

Hvis De har spørgsmål til undersøgelsen eller ønsker yderligere information, kan De kontakte Aja Guldhammer Henderson på ah.smg@cbs.dk

På forhånd mange tak for Deres besvarelse.

Med venlig hilsen

Dana Minbaeva, ph.d., lektor, Copenhagen Business School, Center for Strategic Management and Globalization
Steen E. Navrbjerg, ph.d., lektor, Københavns Universitet, Forskningscenter for Arbejdsmarkeds- og Organisationsstudier

Original e-mail:

Kære [FULL NAME],

See below for English version.

De inviteres hermed til at deltage i en verdensomspændende spørgeskemaundersøgelse om HR-politikker og HR-praksiser i multinationale selskaber. Den danske del af undersøgelsen udføres af Copenhagen Business School og Københavns Universitet, og vi vil værdsætte Deres bidrag til undersøgelsen.

Undersøgelsen fokuserer på kerneområder inden for HR såsom performance management, belønningssystemer, efteruddannelse, organisatorisk læring, medarbejderinvolvering, kommunikation og medarbejderrepræsentation. Der er allerede indsamlet data i Irland, Storbritannien, Spanien, Canada og
Mexico. Tilsvarende undersøgelser er igangsat i Singapore og Norge.

Den danske deltagelse i undersøgelsen giver en unik mulighed for at sammenligne og benchmarke HR-praktikker i danske virksomheder med udenlandske virksomheders HR-praktikker. Desuden vil undersøgelsens resultater kunne bidrage til at belyse betydningen af HR for virksomhedernes performance, ligesom undersøgelsen vil analysere forholdet mellem den danske del af den multinationale virksomhed og andre dele af virksomhedens globale aktiviteter. Endelig vil undersøgelsen vise ligheder og forskelle i medarbejderinvolvering og -repræsentation samt samarbejdsrelationer mellem ledelse og fagforeninger på tværs af nationale grænser.

Hvis De deltager i undersøgelsen, vil vi kunne tilbyde:

- En rapport, der benchmarker Deres virksomheds HR-praktikker i forhold til de andre virksomheder i undersøgelsen (denne rapport er forbeholdt Deres virksomhed)
- En samlet rapport, der belyser relationerne mellem en virksomheds HR-praksis og en række organisatoriske faktorer som performance, HR-struktur, internationaliseringsgrad samt betydningen af virksomhedens nationale tilhørsforhold. Disse data er kun tilgængelige for de deltagende virksomheder.
- En samlet rapport, der sammenligner de danske data med de internationale data.

Dette er et meget dybdegående internationalt forskningsprojekt. Derfor er spørgeskemaet også ganske omfattende. Det vil tage ca. 30 minutter at besvare spørgeskemaet, men besvarelsen kan afbrydes, gemmes og genoptages på et andet tidspunkt. Vi garanterer fuld anonymitet for Deres firma, og resultaterne vil kun blive brugt i videnskabelig sammenhæng.

For deltagelse i undersøgelsen, klik venligst på nedenstående link.

http://ilex.cbs.dk/cgi-bin/qwebcorporate.dll?idx=GT6YPN&lg=english&rk=SJGZBW

På forhånd mange tak for Deres deltagelse i undersøgelsen. Skulle De have spørgsmål eller ønsker De mere information, kan de kontakte Aja Guldhammer Henderson på ah.smg@cbs.dk
Dear [FULL NAME],

On the 23\textsuperscript{rd} of April we invited you to participate in the worldwide survey about HR practices of multinational companies (see the original email below). The collection of data is progressing, however we still miss your response.

Your response is of invaluably importance for this worldwide investigation. We would be extremely thankful if you could find the time to complete the questionnaire. To participate in the survey please click on the link below:

[SURVEY LINK]

Thank you in advance for your participation in the survey. Should you have any questions or would you like to get more information, please send your requests to Aja Guldhammer Henderson at ah.smg@cbs.dk

Yours sincerely,

Dana Minbaeva, Ph.D., Associate Professor, Copenhagen Business School, Center for Strategic Management and Globalization

Steen E. Navrbjerg, Ph.D., Associate Professor, Copenhagen University, Employment Relations Research Center

\textbf{Original e-mail:}

We would like to invite you to take part in a worldwide survey about HR practices of multinational companies. The Danish part of the survey is carried out by Copenhagen Business School and University of Copenhagen.

The survey focuses on key areas of HR practices such as performance management, reward systems, training and development, organizational learning, employee involvement, employee communication and employee representation.

This survey as already been carried out in Ireland, United Kingdom, Spain, Canada and Mexico, and parallel surveys are currently being carried out in Singapore and Norway.
The Danish participation will create a unique opportunity to compare and benchmark Danish HR practices with their foreign counterparts on a global level. In addition the analysis can reveal HR drivers of company performance, examine the relationship between Danish operations and other levels of the global company, and shed light on the similarities and differences in employee representation, communication and cooperation with unions in different national contexts.

If you chose to participate in this survey we can offer you:

- A report benchmarking the HR practices of your company relative to the rest of the Danish sample (available only for your company).
- Participation in a seminar where in-depth results are presented by leading international researchers within International Human Resource Management. At this seminar it will be possible to network and share knowledge with other HR practitioners.
- A full result report mapping the relation between a company’s HR practices and such organizational factors as performance, structure, degree of internationalization, nationality of ownership, and sector (available only to the participating companies).
- Report comparing the Danish data to the international data.

This is a very comprehensive international research project on HR practices of MNCs. Hence, the list of the questions is quite extensive. It will take about 30 minutes to complete the survey. However, you could stop anytime, save your responses and return to the survey later. We guarantee full anonymity for the information provided by your company. Results will be processed statistically and used for scientific purposes only.

To participate in the survey please click on the link below.

Thank you in advance for your participation in the survey. Should you have any questions or would you like to get more information, please send your requests to Aja Guldhammer Henderson at ah.smg@cbs.dk.

We look forward to hearing from you.

Sincerely,

Dana Minbaeva, Ph.D., Associate Professor, Copenhagen Business School, Center for Strategic Management and Globalization

Steen E. Navrbjerg, Ph.D., Associate Professor, Copenhagen University, Employment Relations Research Center
Hello, ("I hope I am not interrupting")

My name is Kristine Svendsen and I am calling from Center for Strategy and Globalisation at CBS.

I’m calling in regards to a research project currently under preparation. We have sent you an e-mail a few weeks ago with a link to a survey.

Have you had time to read the mail?

[say that they are busy and have other priorities]

That’s fully understandable ... [express your deep understanding of this, and bring forth our needs ...] but it is a fairly large research project about human resource management and we need a minimum of 100 responses to make valid study. Therefore, we are calling to let you know that it would be a great help for us, if you could have a look at it.

[If they say they have not had the time, ask if they might have time in the future, and whether you can call back to follow up in a couple of weeks.]

Do you plan to complete the questionnaire at any point? Can I call you back?

Do you have any questions to the survey or is there something you need help with? (Is there anything we can do to make you complete the survey?)

[NOTE: Sometimes it helps to say that they can save and return to the survey if they do not have 30 minutes to spend on it, but only 10 minutes here and there.]

Additional strategies:

Have you received our e-mail regarding a survey about HR in MNCs?

- If: "I do not remember":
  - Describe the project (sell it as exciting - see check list below)
  - Ask for permission to send e-mail again and possibly to follow up by phone
- If: "Yes":
  - Have you seen the actual questionnaire?
[Then you will most likely get an explanation of why they have not replied:]

- **If:** “Yes, but I do not have time”
  - We fully understand (financial crisis, etc.). However, it is very important for us to get answers from your company in order to make a valid study.
  - Do you have time to have a look at it at some point in the future? Can we call you back later?
  - It only takes half an hour
  - They get a benchmarking report about your own company (see check list with benefits below)

- **"Yes, but we are not interested"**

[Feel how dismissive they are]

  - Possibly: why are you not interested?
  - It is very important for us to get answers from your company in order to have a valid study.

[If there is an opening, go to benchmarking, etc. If they are downright irritated by our call then 'lost case'.]

- **“Yes, I started the questionnaire - but did not finish it ...” [they will most likely say too long and difficult]**
  - I am sorry to hear that. We know that it is comprehensive and to some extent complicated. But that is precisely what makes this large international survey qualified and which allows a benchmarking of the companies. Therefore, we would be very thankful, if we could somehow still get your answers.
  - Can we do anything to get you to complete the survey? (Mention the benefits from check list)
  - Is there any chance that we can go through the survey by phone? This will give us an opportunity to sort out misunderstandings and also to improve our analysis of the entire study (either now or at a later point in time)

- **If: "No, I have not received it"**
  - Check e-mail address
  - The e-mail was sent out on April 23 and describe the project.
  - Send the e-mail again

- **If: “I did not bother to open it – I do not want to participate in such a study " [Feel how dismissive they are]**
  - May I ask why you are not interested?
    - If open: Describe the project and the benefits - see check list.
Check list with benefits:

- We can offer you the full study report, benchmark report as well as a seminar:
  - The full report linking among other things HR parameters and economic performance.
  - The benchmark report compares your company's HR practices against the other companies in the survey. This is reserved for your company only and is anonymous.
  - Seminar: Networking and professional input from international top scholars in HR as well as HR executives from Danish and international companies.
  - These offers are reserved for the companies participating in the study.

Telephone Reminder (Phone Script) – Original Danish Version

Goddag, (evt. ”forstyrer jeg?”)

Mit navn er Kristine Svendsen, og jeg ringer fra Center for Strategi og Globalisering på CBS.

Jeg ringer i forbindelse med et forskningsprojekt, vi er ved at lave, hvor vi har sendt en mail til dig for et par uger siden med et link til en spørgeskemaundersøgelse.

Har du haft tid til at kigge på mailen?

[siger at de har travlt og andre prioriteter]

Det kan jeg godt forstå... [udtryk din dybe forståelse herfor, og kom så med vores behov...], men det er et ret stort forskningsprojekt inden for human ressource management, hvor vi skal have mindst 100 besvarelser for at lave valid forskning. Derfor ringer vi nu rundt, da det ville være en meget stor hjælp for os, hvis du ville kigge på det.

[Hvis de siger at de ikke har haft tid, så spørg om de evt. har tid fremadrettet, og om du må ringe igen og følge op om et par uger.]

Har du planer om at udfylde spørgeskemaet på et tidspunkt? Må jeg ringe igen?

Har du nogle spørgsmål til undersøgelsen eller er der noget du har brug for hjælp til? (Er der noget vi kan gøre for at få Dem til at udfylde spørgeskemaet?)
Supplerende strategier:

Har du modtaget vores mail angående en spørgeskemaundersøgelse inden for HR i MNC?

- **Hvis:** “Jeg husker det ikke”:
  - Redegør for projektet (sælg det som spændende jf. checkliste nedenfor)
  - Bed om tilladelse til at sende mail igen og evt. at følge op pr. telefon

- **Hvis:** ”Ja”:
  - Har du kigget på selve spørgeskemaet?

[**Herefter vil typisk allerede komme en forklaring på, hvorfor de ikke har svaret:**]

- **Hvis:** ”Ja, men jeg har ikke tid”
  - Det har vi fuld forståelse for (finanskrise osv.). For os er det imidlertid meget vigtigt for at lave en valid undersøgelse, at få svar fra Deres virksomhed.
  - Har De evt. tid på et senere tidspunkt? Kan vi ringe til Dem på senere tidspunkt?
  - Det kan gøres på ½ time
  - De får en benchmarkingrapport om egen virksomhed (jf. checkliste med fordele nedenfor)

- **”Ja, men vi er ikke interesserede”**

  [Mærk efter, hvor afvisende de er]
  - Evt. hvorfor er du/l ikke interesseret?
  - For os er det imidlertid meget vigtigt for en valid undersøgelse at få svar fra Deres virksomhed.

[Hvis der er en åbning, så gå til benchmarking etc. Hvis de er decideret irriterede over vores opkald, så ’lost case’.]  

- **”Ja, jeg gik i gang med besvarelsen – men gik i stå…”** [typisk vil de sige for lang eller besværlig]
o Kan vi gøre noget for at få Dem til at fuldføre undersøgelsen? (Nævn fordelene fra check-listen)

o Er der evt. mulighed for, at vi kan gennemgå skemaet pr. telefon? Derved har vi mulighed for at rydde misforståelser af vejen og også forbedre vores analyse af hele undersøgelsen (Enten nu eller aftal senere tidspunkt)

• Hvis: "Nej, Jeg har ikke modtaget den"

  o Tjek e-mailadresse

  o Mailen er sendt d. 23. april og forklar projektet.

  o Send e-mailen igen

• Hvis: "Jeg har ikke gidet åbne den – ønsker ikke at deltage i en sådan undersøgelse” [Mærk efter hvor afvisende]

  o Må jeg spørge, hvorfor De ikke er interesseret?

    - Hvis åbning: Forklar projekt og fordele jf. checkliste.

    - Hvis tid: Jf. ovenfor

    - Hvis irritation: ‘lost case’

Checkliste med fordele:

• Vi kan tilbyde jer den fulde rapport, benchmark-rapport samt seminar:

  o Den fulde rapport kobler blandt andet HR-parametre og økonomisk performance.

  o Benchmark-rapporten sammenholder din virksomheds HR-praktikker i forhold til de andre virksomheder i undersøgelsen. Denne er forbeholdt netop jeres virksomhed og er anonym.

  o Seminar: Networking og faglige inputs fra internationale top-forskere inden for HR samt HR-chefer fra danske og internationale virksomheder.

  o Disse tilbud er forbeholdt de virksomheder, der deltager i undersøgelsen.
Appendix 7: 2nd Reminder

Kære [FIRST NAME],

See below for English version.

Vi har tidligere kontaktet Dem pr. telefon angående deltagelse i en verdensomspændende spørgeskemaundersøgelse om HR-praksisser i multinationale selskaber. Da De viste interesse for projektet, sendte vi Dem i den forbindelse for nyligt en invitation til at deltage i dette projekt (se den oprindelige e-mail nedenfor). Indsamlingen af data går fremad – men vi mangler stadig Deres svar.

Deres deltagelse i undersøgelsen er af stor betydning for den internationale analyse. Vi vil være meget taknemmelige, hvis De kan finde tid til at udfylde spørgeskemaet. Spørgeskemaet findes på dette link:

[SURVEY LINK]

OBS: Hvis du tidligere har været inde på linket, får du muligvis en fejlmeldelse når du trykker på linket. Sker dette skal du blot trykke på “Click here to restart the survey” for at genstarte undersøgelsen.

Hvis De har spørgsmål til undersøgelsen eller ønsker yderligere information, kan De kontakte Aja Guldhammer Henderson på ah.smg@cbs.dk.

På forhånd mange tak for Deres besvarelse.

Med venlig hilsen

Dana Minbaeva, ph.d., lektor, Copenhagen Business School, Center for Strategic Management and Globalization

Steen E. Navrbjerg, ph.d., lektor, Københavns Universitet, Forskningscenter for Arbejdsmarkeds- og Organisationsstudier
Dear [FIRST NAME],

We have recently contacted you by phone about you participation in the worldwide survey about HR practices of multinational companies (see the original email below). As you showed an interest in the project, we recently sent you an invitation to participate in the project. The collection of data is progressing, however we still miss your response.

Your response is of invaluably importance for this worldwide investigation. We would be extremely thankful if you could find the time to complete the questionnaire. To participate in the survey please click on the link below:

[SURVEY LINK]

Note: If you have clicked on the link previously, you might encounter an error message when you click on the link. However, if this happens you just have to click "Click here to restart the survey“ and the survey will start from the beginning.

Thank you in advance for your participation in the survey. Should you have any questions or would you like to get more information, please send your requests to Aja Guldhammer Henderson at ah.smg@cbs.dk

Yours sincerely,

Dana Minbaeva, Ph.D., Associate Professor, Copenhagen Business School, Center for Strategic Management and Globalization

Steen E. Navrbjerg, Ph.D., Associate Professor, Copenhagen University, Employment Relations Research Center
Appendix 8: 3rd Reminder

Kære [FIRST NAME],

See below for English version.

Vi har tidligere forsøgt at kontakte Dem pr. telefon angående deltagelse i en spørgeskemaundersøgelse om HR-praksisser i multinationale selskaber. Indsamlingen af data går fremad - men vi mangler stadig Deres svar.

På foranledning af Deres virksomheds receptionist er vi blevet opfordret til at kontakte Dem igen via e-mail.

Deres deltagelse i undersøgelsen er af stor betydning for denne internationale analyse - jo flere svar, desto mere præcis bliver vores analyse. Vi vil være meget taknemmelige, hvis De kan finde tid til at udfylde spørgeskemaet. Spørgeskemaet findes på dette link:

http://ilex.cbs.dk/cgi-bin/qwebcorporate.dll?idx=8RIUFV&lg=english&rk=

OBS: Hvis du tidligere har været inde på linket, får du muligvis en fejlmeldelse når du trykker på linket. Sker dette skal du blot trykke på "Click here to restart the survey" for at genstarte undersøgelsen.

Hvis De har spørgsmål til undersøgelsen eller ønsker yderligere information, kan De kontakte Aja Guldhammer Henderson på ah.smg@cbs.dk eller på tlf. 50 58 95 07

På forhånd mange tak for Deres besvarelse.

Med venlig hilsen

Dana Minbaeva, ph.d., lektor, Copenhagen Business School, Center for

Strategic Management and Globalization

Steen E. Navrbjerg, ph.d., lektor, Københavns Universitet, Forskningscenter
Dear [FIRST NAME],

We have previously tried to contact you by phone about your participation in the worldwide survey about HR-practices of multinational companies. The collection of data is progressing, however we still miss your response.

As we have not been successful in reaching you by phone, we have been encouraged to contact again you by e-mail.

Your response is of invaluable importance for this worldwide investigation - the more responses, the more precise results. We would be extremely thankful if you could find the time to complete the questionnaire. To participate in the survey please click on the link below:

http://ilex.cbs.dk/cgi-bin/qwebcorporate.dll?idx=8RJUFV&lg=english&rk=

Note: If you have clicked on the link previously, you might encounter an error message when you click on the link. However, if this happens you just have to click "Click here to restart the survey" and the survey will start from the beginning.

Thank you in advance for your participation in the survey. Should you have any questions or would you like to get more information, please send your requests to Aja Guldhammer Henderson at ah.smg@cbs.dk or on phone 50 58 95 07

Yours sincerely,

Dana Minbaeva, Ph.D., Associate Professor, Copenhagen Business School,

Steen E. Navrbjerg, Ph.D., Associate Professor, Copenhagen University,

Employment Relations Research Center
Appendix 9: Invitation e-mail to Interview (Translated English Version)

Dear [FULL NAME],

As we have not been able to reach you by phone, we are writing you this e-mail. We are contacting you to invite you to participate in a one-hour interview some time during October/November? We would like to ask you about your company’s HR organisation and to what extent the HR policies are established centralised (by the parent company) or decentralised (by the subsidiary company). Also, we would like to know the effects these two different strategies have for the working conditions in the subsidiaries. This is a classic challenge for companies with subsidiaries in multiple countries.

The interview is part of a large research project at Copenhagen Business School and Copenhagen University, which treats the subject of HR in multinational companies. Naturally, we guarantee your company and yourself full anonymity as the data you might provide will be used to shed light on general tendencies about HR in multinational companies in Denmark.

We hope that the project has caught your interest. We can be reached at this e-mail or mobile xxxxxxxx.

We look forward to hearing from you!

Venlig hilsen | Kind Regards

Kristine Svendsen | Aja Henderson
Forskningsassistent/Research assistant | Forskningsassistent/Research assistant

SMG Center for Strategic Management & Globalization
Project management | Business Development | Change Management

About the project:

- The project is part of a worldwide study of HR practises in multinational companies.
- So far, data has been retrieved from Ireland, Great Britain, Spain, Canada and Mexico. And, similar studies have been initiated in Singapore and Norway.
- The Danish participation in the study provides a unique opportunity to compare and benchmark HR practises in Danish companies with foreign companies’ HR practises.
The study conducted carried out in collaboration with CBS, Copenhagen Business School, and KU, Copenhagen University.

The study is managed by

- Dana Minbaeva, PhD, associate professor, Copenhagen Business School, Center for Strategy and Globalisation
- Steen E. Navrbjerg, PhD, associate professor, Copenhagen University, Research Center for Labour Market and Organisational Studies (FAOS)

For further information, please refer to www.cbs.dk/mnc

*Invitation e-mail to Interview (Original Danish Version)*

Kære [FULL NAME].

Vi har prøvet at kontakte dig per telefon et par gange uden held, og prøver nu på e-mail.

Vi skriver, da vi vil høre om du har lyst til og mulighed for at afse en time til et interview i løbet af oktober/november? I interviewet vil vi bl.a. spørge ind til, hvordan HR generelt er organiseret i jeres virksomhed, og til i hvilket omfang jeres HR-politikker bestemmes centralt (i moderselskabet) eller decentralt (i datterselskabet), samt hvilken effekt de to strategier har for datterselskabernes personaleforhold. Dette er en klassisk udfordring for virksomheder med datterselskaber i flere lande.

Interviewet er en del af et større forskningsprojekt på Copenhagen Business School og Københavns Universitet, som omhandler HR i multinationale selskaber. Jeres virksomhed, såvel som du, er naturligvis sikret fuld anonymitet, da data blot skal anvendes til at belyse generelle tendenser om HR-funktionen i multinationale virksomheder i Danmark.

Vi håber, projektet har fanget din interesse. Du kan kontakte os på denne e-mail eller mobil xxxxxxxx.

Vi ser frem til at høre fra dig!

Venlig hilsen | Kind Regards

Kristine Svendsen | Aja Henderson
Forskningsassistent/Research assistant | Forskningsassistent/Research assistant

**SMG Center for Strategic Management & Globalization**
Om projektet:

- Projektet indgår i en verdensomspændende undersøgelse af HR-praktikker i multinationale selskaber.
- Der er allerede indsamlet data i Irland, Storbritannien, Spanien, Canada and Mexico, og tilsvarende undersøgelser er igangsat i Singapore og Norge.
- Den danske deltagelse i undersøgelsen giver en unik mulighed for at sammenligne og benchmarke HR-praktikker i danske virksomheder med udenlandske virksomheders HR-praktikker.
- Undersøgelsen udføres i et samarbejde mellem CBS, Copenhagen Business School, og Københavns Universitet.

Undersøgelsen ledes af

- Dana Minbaeva, ph.d., lektor, Copenhagen Business School, Center for Strategi og Globalisering
- Steen E. Navrbjerg, ph.d., lektor, Københavns Universitet, Forskningscenter for Arbejdsmarkeds- og Organisationsstudier (FAOS)

For nærmere information, se www.cbs.dk/mnc
Appendix 10: Confirmation E-mail Regarding Interview (Translated English version)

Dear [FIRST NAME],

Thank you for a pleasant phone conversation.

I hereby confirm our interview the xxxx.

Should you have additional questions or be prevented from participating in the interview on the above-mentioned date, you can reach us by phone at 38 15 25 27 or mobile xxxxxxxx.

Thank you for your participation. Below you will find a brief introduction to the project.

Venlig hilsen | Kind Regards

Kristine Svendsen
Forskningsassistent/Research assistant

Aja Henderson
Forskningsassistent/Research assistant

SMG Center for Strategic Management & Globalization
Project management | Business Development | Change Management

Copenhagen Business School
Porcelænshaven 24, B.1.60, DK-2000 Frederiksberg

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About the project

- The project is part of a worldwide study of HR practises in multinational companies.
- So far, data has been retrieved from Ireland, Great Britain, Spain, Canada and Mexico. And, similar studies have been initiated in Singapore and Norway.
- The Danish participation in the study provides a unique opportunity to compare and benchmark HR practises in Danish companies with foreign companies’ HR practises. Furthermore, the study results will contribute to shed light on the importance of HR for companies’ performance. The
study will also analyse the relationship between the Danish part of the multinational company and other parts of the company’s global activities. Finally, the study will highlight similarities and differences in the involvement and representation of employees as well as cooperation relations between management and trade unions across national borders.

- The study is carried out in collaboration with CBS, Copenhagen Business School, and KU, Copenhagen University.

- The study is managed by
  
  o Dana Minbaeva, PhD, associate professor, Copenhagen Business School, Center for Strategy and Globalisation
  
  o Steen E. Navrbjerg, PhD, associate professor, Copenhagen University, Research Center for Labour Market and Organisational Studies (FAOS)

**Confirmation E-mail Regarding Interview (Original Danish Version)**

Kære [FORNAVN],

Tak for en behagelig telefonsamtale.

Hermed en bekræftelse af vores interview den xxxx. Såfremt du har uddybende spørgsmål eller bliver forhindret i at afholde interviewet på aftalte tidspunkt, kan vi træffes på telefonnummer 38 15 25 27 eller mobil xxxxxxxx.


Venlig hilsen  | Kind Regards

Kristine Svendsen  | Aja Henderson
Forskningsassistent/Research assistant  | Forskningsassistent/Research assistant

**SMG Center for Strategic Management & Globalization**

Project management  | Business Development  | Change Management

Copenhagen Business School

Porcelænshaven 24, B.1.60, DK-2000 Frederiksberg
Om projektet

- Projektet indgår i en verdensomspændende undersøgelse af HR-praksisser i multinationale selskaber.

- Der er allerede indsamlet data i Irland, Storbritannien, Spanien, Canada og Mexico, og tilsvarende undersøgelser er igangsat i Singapore og Norge.


- Undersøgelsen udføres i et samarbejde mellem CBS, Copenhagen Business School, og KU, Københavns Universitet.

- Undersøgelsen ledes af:
  - Dana Minbaeva, ph.d., lektor, Copenhagen Business School, Center for Strategi og Globalisering
  - Steen E. Navrbjerg, ph.d., lektor, Københavns Universitet, Forskningscenter for Arbejdsmarkeds- og Organisationsstudier (FAOS)
Appendix 11: Interview Guide – Translated English version

Briefing

- **About us**
  - Where are we from? Center for Strategy and Globalisation
  - What is our role in the project? KS and AG are research assistants on the project

- **About the project**
  - Part of an international survey – the questionnaire survey is finished
  - The interview will be used to clarify our analyses of the quantitative data
  - Provides an opportunity to compare HR policies across borders
  - Provides an opportunity to compare Danish and foreign MNC’s HR policies

- **About the interview process**
  - Duration – app. 1 hour
  - It will be recorded
  - Anonymity
  - I will do the interview and my colleague Aja will observe and ensure that everything works (eg. the technology) and also make a note of additional and elaborative questions for themes that might come up during the interview.

- **What is in it for the interviewee?**
  - An invitation for a seminar December 16, 2010
  - The final report

- **About this interview**
  - We are here, because we are interested in a further analysis of the extent to which HR policies are established centrally (in the parent company) or decentralised (in the subsidiary company) and what effect these two strategies have for the working conditions, etc. in the subsidiaries.
  - This is a classic challenge for companies with subsidiaries in multiple countries: should we try to establish the same personnel policy across borders and thereby encourage a common company culture – or, is there a need for local solution, which discourages a common company culture.

  - **The structure of the interview:**
    - To start with, we would like to ask you some questions about yourself and the company. After that, we will move on to a couple of more general questions about HR. Finally, I will ask you a couple of more structured questions about various HR-areas.

Introduction – general questions

About the interviewee

- Just to confirm – are you the HR-manager?
- What does that involve?
- For how long have you worked in this position?
- How long have you worked for [COMPANY NAME]?
- What is your additional work related and educational background?
- Which HR-level are you responsible for (global, regional, Denmark, other?)

**About the company**

- What kind of employees primarily work in Denmark? (Sales & Marketing, production/service, customer service, research & development)
  - How are your employees located geographically in Denmark?
    - Where do you have offices?
- Do you have many foreign employees in Denmark – do you have many Danish employees abroad?

[I will now move on to some of the more general questions about your HR areas in Denmark]

**About HR**

- How is HR organised in your company? (Department managers? HR-department?)
  - Do the managers/middle managers spend a lot of time on HR?
  - Who do you communicate with in regards to HR?
- What does that mean in regards to the company’s HR policies? (For instance, only similar in the Nordic countries or also standardised across other countries?)
- Do you design your HR policies yourself in Denmark, or are you subject to the parent company’s HR policies?
  - Do you know why this approach has been chosen?
  - Is there a sort of overall committee that designs HR policies to be applied in all countries or groups of countries?
  - Is there a representative from all countries in this committee? Are you a representative?
  - Which challenges/advantages appear from having differentiated or standardised HR policies/practises in the various countries?
  - Why has the parent company chosen to give the individual units such a significant degree of independence/interdependence?
- Do the HR managers from the various countries meet on a regular basis?
  - How often?
  - How? (regular meetings, international conferences, task forces/working groups, phone meetings)
- Is there an HR person in the board of directors (in the subsidiary and parent company respectively)?
- Does Denmark have the main responsibility for specific HR areas? Or, do some of the other countries, e.g. The Nordic countries, have the main responsibility for specific HR areas?
(preparation and administration of payment systems/bonus schemes, T&D, organisational learning, employees involvement and communication, cooperation with trade unions).

- Do you have a specific cooperation with subsidiaries in other countries? If yes – which countries?
- Is it your impression that there is a different approach to HR in each country?
- Have you experienced cultural differences in the approach to HR practises?
- Is the nationality of the HR manager of any importance?

[I will now move on to some more structured questions for the various HR areas]

**Pay & Performance**

- Do you use the same payment systems in Denmark as in the parent company, or is it adapted to Danish conditions?
- Do you have regular performance reviews / assessments (e.g. 360-degree surveys)?
  - Are these measurements quantitative, qualitative, in terms of individual / group / departments?
- Do you use shares, share options or profit sharing as salary / bonus, corporate bonds? In Denmark
- Are your employees mostly remunerated with a fixed or variable salary?
  - What does the variable pay depend on (individual, group or overall performance)?
- How do the various industrial relations and collective agreements affect your wage policies in different countries?

**Training and development**

- Do you use many resources for training and developing staff?
- Do you have regular training and development programs?
  - Is it something general / standardised throughout the [COMPANY NAME]? Or only in Denmark?
- To what extent do you use the public continuing education systems in different countries?
  - Are there any countries where these systems are better than others in relation to your organisation?
  - In what way?
- Do you have a firm strategy to send employees to different countries to develop them internationally? (i.e. many from abroad in DK and many from DK to other countries)
- Do you have a formal organisational learning policy? (i.e. a policy for the organisation's overall development)
  - Possibly. Is this the same in Denmark as in other countries - or are they individual?

**Industrial relations & employee involvement**

- How do the differences in industrial relations in the various countries you operate in impact you?
  - Can you work with an HR policy, totally unaffected by national and local industrial relations?
- Are there differentiated HR policies and various types of wage negotiations and working conditions in different countries - or do you run the same policy in all countries? Is it possible?
- Are there differences in employees' desire and demand for involvement in different countries?
• Is the policy of involvement quite the same or does the degree of involvement vary in different countries?
• Is it an advantage with a differentiated policy in this area?

Trade unions, etc./Employee representation, consultation and negotiations

• How do you feel about cooperating with trade unions in Denmark? (Are you cooperating - are they cooperating?)
• Do you have a formal policy regarding your relationship and approach to trade unions?
• Are there any countries where you must take account of trade unions and collective bargaining?
  ○ Which - and why?
• What negotiation systems do you prefer [COMPANY NAME]? (Do you prefer bargaining through unions or through individual negotiations, central versus local bargaining agreements)
  ○ What systems do you prefer personally?

HR-performance

• Do you have any goals for the HR function's performance? (For example, employee turnover, retention, bottom line for shared service HR)
• How do you evaluate employees' overall job satisfaction in [COMPANY NAME]?
• How do you assess your ability to attract and retain employees? (e.g. average number of years of employment, employee turnover, average salary)

[I will now ask you some questions about how much involvement you have in relation to the parent company]

Autonomy /Discretion

• Are there certain HR policies you determine yourself and others dictated from higher above? (e.g. wages, working hours, training)
• Overall - is HR mainly controlled by the parent company or is it decentralized?
• To what extent do you have decision-making competency / influence within:
  ○ Compensation systems?
  ○ Training and development /educational systems or procedures?
  ○ Guidelines for organisational learning and / or organisational learning policies?
  ○ What information is being shared with employees (financial, strategic etc)
  ○ Employee surveys?
  ○ The degree of cooperation with trade unions in relation to key employee decisions (e.g. wages, working hours, etc.)
• How important is it to have decision making powers in relation to the following HR policies? / Is it of significance if you do not have decision making powers in relation to the following HR policies
Salary and 'performance management'
- Training and staff development
- Employee involvement and communication
- Relationship with unions

Why is it positive or negative to determine for yourself? / Why is it positive or negative not to decide for yourselves?

- Are there some areas that you think is more important to decide over yourself than others?
  - Possibly. Why?
- What impact do you think that the degree of autonomy have for profit and employee / customer satisfaction?
- How is your relationship to the parent company? (How closely connected are you to the parent company?)
- How often are you in contact with the parent company?
  - How are you in contact?

Current

- How has the financial crisis affected your business (financial and human resources)?
  - What impact has it had on HR? Has there been a greater number of recruitments or dismissals - or particularly hard bargaining (for example, many companies have negotiated pay cuts in continuation of the crisis)
  - How has staffing changed over the last 1 ½ years?
- How is your performance in Denmark compared to your main competitors? (Product, service and profit-wise?)
- How important is [VIRKSDEN'S NAME] Denmark's performance relative to the parent company?
  - Has it become more or less important over the last couple of year? (Or are there other areas where the Danish division is important? Is Denmark contributing with something special within certain areas?)
Interview Guide – Original Danish Version

Briefing

- **Om os selv**
  - Hvor kommer vi fra? Center for Strategi og Globalisering
  - Hvad er vores rolle i projektet? KS og AG er forskningsassistenter på projektet

- **Om projektet**
  - En del af en international survey – spørgeskemaundersøgelsen er færdig
  - Interviewet skal bruges til at nuancere vores analyse af de kvantitative data
  - Giver muligheder for at sammenligne HR-politikker på tværs af grænser
  - Giver muligheder for at sammenligne danske og udenlandske MNC’ers HR-politikker

- **Om interview processen**
  - Varighed – regner med at det tager cirka en time
  - Det bliver optaget
  - Anonymitet
  - Jeg vil interviewe dig, og min kollega Aja vil observere at alt foregår og fungerer som det skal (fx teknikken), og samtidig notere eventuelle supplerende og uddybende spørgsmål til temaer der kan dukke op i løbet af interviewet.

- **Hvad får interviewpersonen ud af det?**
  - Invitation til seminar 16. december 2010
  - Den færdige rapport

- **Om dette interview**
  - Vi er her, fordi vi er interesseret i en nærmere analyse af, i hvilket omfang HR-politikker bestemmes centralt (i moderselskabet) eller decentralt (i datterselskabet) og hvilken effekt de to strategier har for datterselskabernes personaleforhold mv. Det er en klassisk udfordring for virksomheder med datterselskaber i flere lande: Skal man søge at etablere den samme personalepolitik på tværs af grænser og dermed også en mere samlet virksomhedskultur – eller er der behov for lokale løsninger, som så omvendt gør det vanskeligere at skabe en fælles kultur i hele koncernen.

- **Fortæl om strukturen i interviewet:**
  - Først vil vi spørge lidt ind til dig og virksomheden, derefter vil vi gå over til nogle mere generelle HR- spørgsmål, og til slut vil jeg stille dig nogle lidt mere strukturerede spørgsmål om forskellige HR-områder.

Introduktion – generelle spørgsmål

**Om personen**

- Bare lige for at bekræfte – du er HR-manager?
  - Hvad indebærer det?
- Hvor længe har du arbejdet i denne position?
• Hvor lang tid har du arbejdet hos [VIRKSOMHEDENS NAVN]?
• Hvad er din øvrige baggrund (andre stillinger i [VIRKSOMHEDENS NAVN], andre steder, uddannelse)?
• Hvilket HR-niveau har du ansvar for (Global, regional, HR i Danmark, andet)?

Om virksomheden

• Hvilken type medarbejdere har i primært i Danmark? (Salg & Marketing, produktion/service, kundeservice, forskning & udvikling)
  o Hvordan er jeres medarbejdere rent geografisk fordelt i Danmark?
  ▪ Hvor har I kontorer?
• Har I mange udenlandske medarbejdere i Danmark – har I mange danske medarbejdere i udlandet?

[Nu vil jeg stille nogle lidt af de lidt mere generelle spørgsmål til jeres HR-funktion i Danmark]

Om HR

• Hvordan er HR organiseret i jeres virksomhed? (Afdelingsledere? HR-afdeling?)
  o Bruger lederne/mellem-lederne meget af deres tid på HR?
  o Hvem kommunikerer du med i forhold til HR?
• Hvad betyder det i forhold til koncernens HR-politikker? (Evt. kun ens i norden eller også ensrettet på tværs af andre lande?)
• Designer I selv HR-politikker i Danmark, eller er I underordnet moderselskabet HR-politikker?
  o Ved du hvorfor denne tilgang er valgt?
  o Er der en form for overordnet udvalg som udarbejder HR-politikker, som skal bruges alle lande eller grupper af lande?
  o Er der en fra alle landede med i dette udvalg? Er du med?
  o Hvilke udfordringer/fordele giver det at have henholdsvis forskellige eller ensrettede HR-politikker/praksisser i de forskellige lande?
  o Hvorfor har moderselskabet valgt at give de enkelte enheder så betydeligt en selvstændighed/uselvstændighed?
• Mødes HR-ledere fra de forskellige lande på fast basis?
  o Hvor ofte?
  o Hvordan? (faste møder, internationale konferencer, task forces/arbejdsgrupper, telefonmøder)
• Sidder der en HR-person i bestyrelsen (i henholdsvis datter- og moderselskabet)?
• Arbejder I særligt sammen med datterselskaber i andre lande? I så fald – hvilke lande?
• Oplever du, at der generelt er forskel i tilgangen til HR i de forskellige lande?
• Har du oplevet, at der er kulturelle forskelle i tilgangen til HR-praktikker?
Har det betydning hvilken nationalitet HR-chefen har?

[Nu går vi over til nogle mere strukturerede spørgsmål til forskellige HR-områder]

Pay & Performance

- Bruger I samme aflønningssystemer i Danmark som i moderselskabet, eller er det tilpasset Danske forhold?
- Har i regelmæssige performance vurderinger/målinger (fx 360-graders målinger)?
  - Er disse målinger kvantitative, kvalitative, målt individuelt/gruppe/afdelinger?
- Bruger i aktier, aktieoptioner eller profit deling som aflønning/bonus, virksomhedsobligationer? I Danmark
- Er jeres medarbejdere primært aflønnet med fast eller variabel løn?
  - Hvad afhænger den variable løn af (Individuel, gruppe eller overordnet performance)?
- Hvordan påvirker de forskellige arbejdsmarkedss- og overenskomstsystemer jeres lønpolitik i de forskellige lande?

Træning og udvikling

- Bruger I mange ressourcer på træning og udvikling af personale?
- Har I faste trænings- og udviklings programmer?
  - Er det noget generelt/standardiseret for hele [VIRKSOMHEDENS NAVN]? Eller kun i Danmark?
- I hvilket omfang bruger I de offentlige efteruddannelsessystemer I de forskellige lande?
  - Er der nogen lande, hvor disse systemer er bedre end i andre i forhold til jeres koncern?
  - Hvordan?
- Har I en fast strategi om at sende medarbejdere rundt i de forskellige lande for at udvikle dem internationalt? (altså mange fra udlandet i DK og mange for DK i andre lande)
- Har I en formel organisatorisk lærings politik? (Altså en politik for organisationens generelle udvikling)
  - Evt. Er denne den samme i Danmark som i andre lande – eller er de individuelle?

Arbejdsmarkedssforhold & medarbejder involvering

- Hvad betyder det, at der er forskel på arbejdsmarkedssforhold i de forskellige lande, I opererer i?
  - Kan I arbejde med en HR-politik, helt upåvirket af nationale og lokale arbejdsmarkedssrelationer?
- Er der en differentieret HR-politik og forskellige typer af forhandlinger af løn og arbejdsvilkår i forskellige lande - eller kører I den samme politik i alle lande? Er det muligt?
- Er der ikke forskel på medarbejdersidens ønsker og krav om involvering i forskellige lande?
  - Er politikken for involvering helt den samme eller varierer involveringsgraden i forskellige lande?
- Er det en fordel med en differentieret politik på dette område?
Fagforeninger mv./Employee representation, consultation and negotiations

- Hvordan er jeres forhold til at samarbejde med fagforeninger i Danmark? (Er I samarbejdsvillige – er de samarbejdsvillige?)
- Har I en formel politik angående jeres forhold og tilgang til fagforeninger?
- Er der nogen lande, hvor I i højere grad end andre skal tage hensyn til fagforeninger og kollektive overenskomster?
  - Hvilke – og hvorfor?
- Hvilke forhandlingssystemer foretrækker I [VIRKSOMHEDENS NAVN]? (Foretrækker I forhandlinger gennem fagforeninger, eller gennem individuelle forhandlinger, centrale overenskomster versus lokale aftaler)
  - Hvilke systemer foretrækker du personligt?

HR-performance

- Har i nogen mål for HR-funktionens performance? (Fx medarbejderomsætning, fastholdelse, bundlinjen for shared service HR)
- Hvordan vurderer du medarbejdernes generelle jobtilfredshed i [VIRKSOMHEDENS NAVN]?
- Hvordan vurderer du jeres evne til at tiltrække og fastholde medarbejdere? (fx gennemsnits antal års ansættelse, medarbejderomsætning, gennemsnitsløn)

[Nu kommer der nogle spørgsmål ift. hvor meget medbestemmelse i har i forhold til moderselskabet]

Autonomy /Discretion

- Er der visse HR-politikker i selv helt bestemmer og andre der dikteres oppefra? (fx løn, arbejdstid, uddannelsesforløb)
- Overordnet set – er HR så overvejende styret fra moderselskabet eller er det decentralt bestemt?
- I hvor høj grad har du/I beslutningskompetence /indflydelse inden for:
  - Aflønningsystemer?
  - Trænings og udviklings/uddannelsessystemer eller forløb?
  - Retningslinjer for organisatorisk læring og/eller organisatorisk læringspolitikker?
  - Hvilke informationer der bliver delt med medarbejderne (finansielle, strategiske mv)
  - Medarbejderundersøgelser?
  - Graden af samarbejde med fagforeninger i forhold til vigtige medarbejderbeslutninger (fx løn, arbejdstid osv.)
- Hvilken betydning har det at have beslutningskompetence ift. følgende HR-politikker?/ Hvilken betydning har det, at man ikke har beslutningskompetence ift. følgende HR-politikker
  - Løn og ‘performance management’
  - Efteruddannelse og personaleudvikling
  - Medarbejder involvering og kommunikation
  - Relationer med fagforeninger
• Hvorfor er det henholdsvis positivt eller negativt at bestemme selv?/ Hvorfor er det henholdsvis positivt eller negativt *ikke* at bestemme selv?
• Er der nogle af områderne, du mener, som er vigtigere at bestemme over selv, end andre?
  o Evt. hvorfor?
• Hvilken betydning tror du, at graden af selvbemommelse har for henholdsvis profit og medarbejder/kunde-tilfredshed?
• Hvordan er jeres relation til moderselskabet? (Hvor tæt knyttet er I til moderselskabet?)
• Hvor ofte har I kontakt til moderselskabet?
  o Hvordan har I kontakt?

Aktuelt

• Hvordan har finanskrisen påvirket jeres virksomhed (økonomisk og personalemæssigt)?
  o Hvilke konsekvenser har det haft for HR? Har der været større ansættelser, afskedigelser – eller særligt hårde lønforhandlinger (fx har mange virksomheder forhandlet lønnedgang i forlængelse af krise)
  o Hvordan har antallet af ansatte ændret sig i løbet af det sidste 1½ år?
• Hvordan er jeres performance I Danmark ift. jeres største konkurrenter? (Produkt-, service- og profitmæssigt?)
  o Er det blevet mere eller mindre betydningsfuldt i løbet af de sidste år? (Eller er der andre områder, hvor den Danske afdeling er betydningsfuld? Bidrager Danmark med særligt inde for visse områder?)
Appendix 12: Items from Questionnaire that Constitutes the Measures

<table>
<thead>
<tr>
<th>Questions - Items from questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent variable</strong></td>
</tr>
<tr>
<td>Scale: 5 point Likert scale (poor - outstanding)</td>
</tr>
<tr>
<td><strong>Stakeholder performance</strong></td>
</tr>
<tr>
<td>Ability to recruit essential employees</td>
</tr>
<tr>
<td>Ability to retain essential employees</td>
</tr>
<tr>
<td>Customer/client satisfaction</td>
</tr>
<tr>
<td>Manager-employees relations</td>
</tr>
<tr>
<td>General employee relations</td>
</tr>
<tr>
<td>The job satisfaction of the employees at [COMPANY NAME] in Denmark?</td>
</tr>
<tr>
<td>The ability of [COMPANY NAME] in Denmark to retain essential employees?</td>
</tr>
<tr>
<td><strong>Independent variables</strong></td>
</tr>
<tr>
<td>Scale: 5 point Likert scale (no discretion - full discretion)</td>
</tr>
<tr>
<td><strong>Discretion over the determination of pay and performance policy</strong></td>
</tr>
<tr>
<td>To what extent does [COMPANY NAME] in Denmark have discretion over the determination of the following aspects of pay and performance policy?</td>
</tr>
<tr>
<td>Relating pay levels in [COMPANY NAME] in Denmark to market comparators (e.g. aiming to be in top quartile)</td>
</tr>
<tr>
<td>Employee share ownership schemes in [COMPANY NAME] in Denmark</td>
</tr>
<tr>
<td>Performance appraisal system: For MANAGERS</td>
</tr>
<tr>
<td>Variable payments scheme: For MANAGERS</td>
</tr>
<tr>
<td><strong>Discretion over the determination of training and development policy</strong></td>
</tr>
<tr>
<td>Using the scale below, to what extent do [company name] in Denmark have discretion over determining the following training and development policies?</td>
</tr>
<tr>
<td>Training and development policy</td>
</tr>
<tr>
<td>Policy on organisational learning</td>
</tr>
<tr>
<td>Policy on succession planning for senior managers</td>
</tr>
<tr>
<td><strong>Discretion over setting policy towards trade unions</strong></td>
</tr>
<tr>
<td>Using this rating scale, to what extent does the [COMPANY NAME] in Denmark have discretion over setting the following elements of policy trade unions?</td>
</tr>
<tr>
<td>Union recognition</td>
</tr>
<tr>
<td>Scope of union involvement in decision-making</td>
</tr>
<tr>
<td><strong>Control variable</strong></td>
</tr>
<tr>
<td><strong>Age</strong></td>
</tr>
<tr>
<td>What year did the worldwide company first establish in Denmark?</td>
</tr>
</tbody>
</table>
Appendix 13: Calculations of Measures from Questionnaire

**Stakeholder performance**

\[ \text{Stakeholder performance} = \frac{Q173 + Q174 + Q175 + Q176 + Q177 + Q179 + Q180}{7} \]

**Autonomy over pay & performance policy**

\[ \text{Autonomy over pay and performance policy} = \frac{Q83 + Q84 + Q85 + Q86}{4} \]

**Autonomy over training & development policy**

\[ \text{Autonomy over training and development policy} = \frac{Q114 + Q115 + Q116}{3} \]

**Autonomy over employee involvement & communication policy**

\[ \text{Autonomy over employee involvement & communication policy} = \frac{Q142 + Q144 + Q145}{3} \]

**Autonomy over policy toward trade unions**

\[ \text{Autonomy over policy toward trade unions} = \frac{Q156 + 157}{2} \]
Appendix 14: Feedback from non-respondents

<table>
<thead>
<tr>
<th>Reason for not answering the questionnaire</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doesn't have enough time/other priorities</td>
<td>27</td>
</tr>
<tr>
<td>No specific reason</td>
<td>7</td>
</tr>
<tr>
<td>In-between HR-managers</td>
<td>4</td>
</tr>
<tr>
<td>Too many surveys</td>
<td>4</td>
</tr>
<tr>
<td>Not interested</td>
<td>4</td>
</tr>
<tr>
<td>Organisational changes</td>
<td>4</td>
</tr>
<tr>
<td>No HR-department</td>
<td>4</td>
</tr>
<tr>
<td>Not profitable</td>
<td>3</td>
</tr>
</tbody>
</table>

Numbers are approximate as some managers gave more than one reason. Also feedback was not received from all managers in the population.

Moreover some HR-managers informed us that the invitations plus the reminder e-mails were in the “unwanted e-mail” folder, which might also have led to missing responses, since we could not prevent the re-sent invitations to be sorted out by the spam filter. Also some of the HR-managers, where we only had the general organisation e-mail-address, had not received the e-mail although the receptionist was supposed to forward it. Finally there two people who claimed that they had answered the questionnaire, but we never received their responses. Unfortunately we were not able to solve this problem and find their responses, which might indicate that they had mistaken the survey with another.

Appendix 15: Feedback from People in progress

<table>
<thead>
<tr>
<th>Feedback from people &quot;in progress&quot; (summary)</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tough introduction (too much factual info required)</td>
<td>12</td>
</tr>
<tr>
<td>Doesn't have enough time</td>
<td>5</td>
</tr>
<tr>
<td>Too comprehensive</td>
<td>4</td>
</tr>
<tr>
<td>Questionable anonymity</td>
<td>1</td>
</tr>
<tr>
<td>No HR-manager</td>
<td>1</td>
</tr>
</tbody>
</table>

Numbers are approximate as some managers gave more than one reason. Also feedback was not received from all managers “in progress”.
## Appendix 16: Response Bias

### Independent Samples Test

<table>
<thead>
<tr>
<th></th>
<th>Levene’s Test for Equality of Variances</th>
<th>t-test for Equality of Means</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig.</td>
<td>t</td>
</tr>
<tr>
<td><strong>Employees_1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equal variances assumed</td>
<td>.410</td>
<td>.522</td>
<td>1.029</td>
</tr>
<tr>
<td>Equal variances not</td>
<td></td>
<td></td>
<td>1.031</td>
</tr>
<tr>
<td><strong>Turnover_1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equal variances assumed</td>
<td>.003</td>
<td>.958</td>
<td>.426</td>
</tr>
<tr>
<td>Equal variances not</td>
<td></td>
<td></td>
<td>.388</td>
</tr>
</tbody>
</table>

A Chi-square test was also performed regarding similarity of industries between the respondents and the population. The asymp. sig. (2-sided) values above .05 indicated that the proportion of different industries is not significantly different from each other, yet the assumptions of Chi-square were violated, and hence this is not included in the results.
Appendix 17: Validity

‘Other’ included: Economy/personnel director, resource manager (HR&IT), project- and HR-development manager, HR-specialist, HR-business partner, director, controller with HR on the side, CFO and business development manager.
Appendix 18: Assumptions – Regression Model 5 Shareholder Performance

When performing the multiple regression analyses, the data were checked for multicollinearity, normality, outliers, linearity, homoscedasticity and independence of residuals according to the assumptions.

None of the assumptions regarding multicollinearity for the regression analysis were violated, which was checked looking at the correlation table.

None of the correlations between the independent variables are above .7 and hence the independent variables are not highly correlated. Furthermore, when checking the tolerance and VIF-values (see table above with correlations) all the independent variables have a tolerance value above 0.1 and a VIF-value below 10 (see collinearity statistics table on next page). This means that there is not too high intercorrelation among the independent variables and that the multicollinearity assumption is not violated. However, the correlation table also reveals that most of the independent variables do not have
an r-value above 0.3 in relation to the dependent variable (which is preferred). This indicates that *age, autonomy over training & development policy* and *policy towards trade unions* show some relationship with the dependent variable, whereas the rest is negligible (Pallant 2004). This could indicate that the relationship between autonomy features and shareholder performance actually is quite low.

<table>
<thead>
<tr>
<th>Collinearity Statistics</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Age (Square root - no. of years)</td>
<td>.872</td>
<td>1.146</td>
</tr>
<tr>
<td>3. Size (Log - total assets 2009)</td>
<td>.801</td>
<td>1.248</td>
</tr>
<tr>
<td>4. Industry (service)</td>
<td>.889</td>
<td>1.125</td>
</tr>
<tr>
<td>5. Autonomy over pay &amp; performance policy</td>
<td>.762</td>
<td>1.313</td>
</tr>
<tr>
<td>6. Autonomy over training &amp; development policy</td>
<td>.745</td>
<td>1.343</td>
</tr>
<tr>
<td>7. Autonomy over employee involvement &amp; communication policy</td>
<td>.815</td>
<td>1.226</td>
</tr>
<tr>
<td>8. Autonomy over policy towards trade unions</td>
<td>.771</td>
<td>1.298</td>
</tr>
</tbody>
</table>

However, when interpreting the Kolmogorov-Smirnov sig.-value for all the variables (values above 0.05 indicate normality), the variables all have values below 0.05 which do not indicate normality (see table below).

<table>
<thead>
<tr>
<th>Kolmogorov-Smirnov</th>
<th>Statistic</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder performance (Inverse profit per employee)</td>
<td>.276</td>
<td>83</td>
<td>.000</td>
</tr>
<tr>
<td>Stakeholder performance</td>
<td>.109</td>
<td>85</td>
<td>.014</td>
</tr>
<tr>
<td>Age (sqr. root no. of years in DK)</td>
<td>.146</td>
<td>80</td>
<td>.000</td>
</tr>
<tr>
<td>Size (Log total assets 2009)</td>
<td>.098</td>
<td>86</td>
<td>.041</td>
</tr>
<tr>
<td>Autonomy over pay &amp; performance policy</td>
<td>.104</td>
<td>81</td>
<td>.030</td>
</tr>
<tr>
<td>Autonomy over training &amp; development policy</td>
<td>.152</td>
<td>84</td>
<td>.000</td>
</tr>
<tr>
<td>Autonomy over employee involvement &amp; communication policy</td>
<td>.232</td>
<td>87</td>
<td>.000</td>
</tr>
<tr>
<td>Autonomy regarding policy towards trade unions</td>
<td>.314</td>
<td>71</td>
<td>.000</td>
</tr>
</tbody>
</table>
Although this does not indicate normality, the regression will still be run, based on the best looking histograms (see histograms below). These were selected after having done transformations to all the variables to improve normality, and accordingly the variables below were chosen. Since only the transformations of shareholder performance, age and size (total assets 2009) improved the shape of the histogram these were used, and for the rest the untransformed variables were used (The University of Texas, AU). Hence, caution for violation of this assumption should be taken in interpreting the results. However, Pallant (2005) states that this violation can be quite common.

Histograms with normal curve
Furthermore, to examine the normality of the variables the normal quantile-quantile plots below were inspected to see if they have a reasonably straight line from down left to up right, which supports the assumption of normality. Most of the measures can be considered being reasonably normal according to the plots, however, the assumption of normality is still not totally supported.
Normal Quantile-Quantile (Q-Q) plots for all variables in the model

- Normal Q-Q Plot of INVERSEPriv8PerEmpl
- Normal Q-Q Plot of TotalDiscPPMeanMANAGERS4items
- Normal Q-Q Plot of TotalDiscTDMean
- Normal Q-Q Plot of TotalDiscUnionMean
- Normal Q-Q Plot of SQRTage
To check linearity, outliers, homoscedasticity, and independence of residuals, the residuals’ scatter-plot and normal probability plot of the regression standardised residuals are inspected.

The residuals’ scatter-plot shows that there are two cases that have a standardised residual of more than 3.3 and less than -3.3 which indicates two outliers. According to Pallant (2005), it is not not necessary to take any action if there are only a few, however, the included outliers can pull the regression line towards itself. Furthermore, the Mahalanobis distance values were checked which only revealed one outlier (Pallant 2004). Regarding linearity the scatter-plot does not have either a C-curve or a U-curve, however, the scatter-plot is not rectangular neither, which could indicate a violation of linearity. This is also the case regarding homoscedasticity the scatter-plot fans-out toward the left, and the spread might be higher for values in one end of the scatterplot compared to those at the other end. The normal probability plot shows some deviations from the diagonal line from bottom left to top right, which indicates deviations from normality. These violations of normality, linearity and homoscedasticity will weaken the analysis(Tabachnick, Fidell 2007).
Appendix 19: Assumptions - Regression Model 10 Stakeholder Performance

The same tests were performed for the full stakeholder performance regression model regarding multicollinearity, normality, outliers, linearity, homoscedasticity and independence of residuals.

As stated above, the multicollinearity assumption is not violated, as there are not too high intercorrelations among the independent variables according to the correlation table and the tolerance and VIF-values (see table in appendix 18). However, this correlation table reveals that the independent variables shows a stronger relationship with the dependent variables stakeholder performance – all the autonomy variables have r-values above or close to 0.3 and hereby show some relationship with stakeholder performance (see table above with correlations). This could also be due to common method variance, as both the independent and the dependent variable are measured by self-completion questionnaire (Lindell, Whitney 2001).

### Correlations

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<tbody>
<tr>
<td><strong>Pearson Correlation</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Stakeholder performance</td>
<td>1.000</td>
<td>0.173</td>
<td>0.116</td>
<td>-0.278</td>
<td>0.238</td>
<td>0.331</td>
<td>0.236</td>
<td>0.319</td>
</tr>
<tr>
<td>2. Age (Square root - no. of years)</td>
<td>0.173</td>
<td>1.000</td>
<td>0.306</td>
<td>-0.103</td>
<td>0.027</td>
<td>-0.169</td>
<td>0.006</td>
<td>0.017</td>
</tr>
<tr>
<td>3. Size (Log - total assets 2009)</td>
<td>0.116</td>
<td>0.306</td>
<td>1.000</td>
<td>-0.227</td>
<td>0.239</td>
<td>0.026</td>
<td>0.091</td>
<td>0.193</td>
</tr>
<tr>
<td>4. Industry (Service)</td>
<td>-0.278</td>
<td>-0.103</td>
<td>-0.227</td>
<td>1.000</td>
<td>-0.010</td>
<td>0.049</td>
<td>0.020</td>
<td>-0.233</td>
</tr>
<tr>
<td>5. Autonomy over pay &amp; performance policy</td>
<td>0.238</td>
<td>0.027</td>
<td>0.239</td>
<td>-0.010</td>
<td>1.000</td>
<td>0.418</td>
<td>0.078</td>
<td>0.182</td>
</tr>
<tr>
<td>6. Autonomy over training &amp; development policy</td>
<td>0.311</td>
<td>-0.169</td>
<td>0.026</td>
<td>0.049</td>
<td>0.418</td>
<td>1.000</td>
<td>0.239</td>
<td>0.189</td>
</tr>
<tr>
<td>7. Autonomy over employee involvement &amp; communication policy</td>
<td>0.236</td>
<td>0.006</td>
<td>0.091</td>
<td>0.020</td>
<td>0.078</td>
<td>0.239</td>
<td>1.000</td>
<td>0.372</td>
</tr>
<tr>
<td>8. Autonomy over policy towards trade unions</td>
<td>0.319</td>
<td>0.017</td>
<td>0.193</td>
<td>-0.233</td>
<td>0.182</td>
<td>0.189</td>
<td>0.372</td>
<td>1.000</td>
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<td><strong>Sig. (1-tailed)</strong></td>
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<tr>
<td>1. Stakeholder performance</td>
<td>.</td>
<td>0.064</td>
<td>0.148</td>
<td>0.005</td>
<td>0.017</td>
<td>0.001</td>
<td>0.015</td>
<td>0.004</td>
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<tr>
<td>2. Age (Square root - no. of years)</td>
<td>0.064</td>
<td>.</td>
<td>0.003</td>
<td>0.182</td>
<td>0.408</td>
<td>0.073</td>
<td>0.478</td>
<td>0.447</td>
</tr>
<tr>
<td>3. Size (Log - total assets 2009)</td>
<td>0.148</td>
<td>0.003</td>
<td>.</td>
<td>0.018</td>
<td>0.017</td>
<td>0.408</td>
<td>0.204</td>
<td>0.056</td>
</tr>
<tr>
<td>4. Industry (Service)</td>
<td>0.005</td>
<td>0.182</td>
<td>0.018</td>
<td>.</td>
<td>0.463</td>
<td>0.328</td>
<td>0.427</td>
<td>0.025</td>
</tr>
<tr>
<td>5. Autonomy over pay &amp; performance policy</td>
<td>0.017</td>
<td>0.408</td>
<td>0.017</td>
<td>0.463</td>
<td>.</td>
<td>0.000</td>
<td>0.243</td>
<td>0.071</td>
</tr>
<tr>
<td>6. Autonomy over training &amp; development policy</td>
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<td>0.073</td>
<td>0.408</td>
<td>0.328</td>
<td>0.000</td>
<td>.</td>
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<td>7. Autonomy over employee involvement &amp; communication policy</td>
<td>0.015</td>
<td>0.478</td>
<td>0.204</td>
<td>0.427</td>
<td>0.243</td>
<td>0.015</td>
<td>.</td>
<td>0.001</td>
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<tr>
<td>8. Autonomy over policy towards trade unions</td>
<td>0.004</td>
<td>0.447</td>
<td>0.056</td>
<td>0.025</td>
<td>0.071</td>
<td>0.063</td>
<td>0.001</td>
<td>.</td>
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</tbody>
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### N

<table>
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<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Stakeholder performance</td>
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<td>79</td>
<td>83</td>
<td>85</td>
<td>79</td>
<td>81</td>
<td>85</td>
<td>69</td>
</tr>
<tr>
<td>2. Age (Square root - no. of years)</td>
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<td>80</td>
<td>79</td>
<td>80</td>
<td>75</td>
<td>76</td>
<td>80</td>
<td>66</td>
</tr>
<tr>
<td>3. Size (Log - total assets 2009)</td>
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<td>79</td>
<td>86</td>
<td>86</td>
<td>79</td>
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<td>4. Industry (Service)</td>
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<td>84</td>
<td>77</td>
<td>84</td>
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<td>67</td>
</tr>
<tr>
<td>7. Autonomy over employee involvement &amp; communication policy</td>
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<td>80</td>
<td>85</td>
<td>87</td>
<td>81</td>
<td>83</td>
<td>87</td>
<td>71</td>
</tr>
<tr>
<td>8. Autonomy over policy towards trade unions</td>
<td>69</td>
<td>66</td>
<td>69</td>
<td>71</td>
<td>67</td>
<td>67</td>
<td>71</td>
<td>71</td>
</tr>
</tbody>
</table>

Regarding the normality of all the independent variables, see discussion above. Concerning normality of the dependent variable, stakeholder performance, the Kolmogorov-Smirnov sig.-value 0.014 does not
indicate normality (see table above in appendix 18). The original variable was chosen after having tried
different transformations – see histogram below.

Histogram with normal curve

Although this does not indicate perfect normality the normal quantile-quantile plot below has a
reasonably straight line from down left to up right, which supports the assumption of normality (Pallant
2004).

Normal Quantile-Quantile (Q-Q) plot for stakeholder performance

To check linearity, outliers, homoscedasticity, and independence of residuals, the residuals’ scatter-plot
and normal probability plot of the regression standardised residuals are inspected.
The residuals’ scatter-plot shows that the standardised residuals are evenly spread in a roughly rectangular pattern with no severe outliers. The normal probability plot shows almost a straight diagonal line from bottom left to top right, which indicates no major deviations from normality. In addition the Mahalanobis distance values only revealed one outlier with a value above 24.32, and which were kept since there was only one (Pallant 2004).

Regarding linearity the scatter-plot is evenly spread in a roughly rectangular pattern does not have either a C-curve or a U-curve, which indicate no violation of linearity. Also, in relation to homoscedasticity the scatterplot does not unambiguously fan-out toward one end, which indicates that the assumption of homoscedasticity is not violated (Tabachnick, Fidell 2007).
Appendix 20: CMEs versus LMEs

The respondents are classified as CMEs and LMEs according to Schneider (2008) and Hall & Soskice (2001).