

An Extended Abstract of

**ROA, ROE, MARKET SHARE OR SURVIVAL:
HOW TO APPROPRIATELY MEASURE SUBSIDIARY PERFORMANCE?**

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Abstract

Since the early days of International Business (IB) research, there has been ample discussion of the methods of measuring performance variables. Measurement of Subsidiary Performance (SP) is particularly challenging due to data availability, because subsidiaries are often integrated into Multinational Corporations' (MNCs') internal reporting structure, or the data may be unfit for research purposes due to such variances as host country regulations, subsidiary capital structure or transfer pricing issues. Notwithstanding these challenges, SP and overall MNC performance remains at the centre of IB research and developing appropriate measures of SP is key to our understanding of important IB phenomena. This study is based on 106 quantitative articles from 2005 to 2018 with SP as the dependent variable. This study's findings show a high variability of measurements of SP within the broad thematic clusters and between articles concerning similar areas of research. In lieu of recent debates about replication within social science (e.g., Bettis et al., 2016), this is highly problematic. The aim of this paper is to assess the measurement of SP in recent IB literature and propose a range of questions to guide researchers selecting the most appropriate SP measure(s) for their study.

Keywords

Subsidiary performance, Performance measurement, DuPont model, Bibliometric coupling, VOSviewer, Leximancer