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EVOLUTION OF THE SUBSIDIARY'S ROLE – A QUALITATIVE PERSPECTIVE ON A SUBSIDIARY LOCATED IN POLAND

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AGENDA

- Literature background
- Empirical background
- Goal
- Methodology
- Findings

LITERATURE BACKGROUND

- Studies on the subsidiary roles (White & Poynter (1984); Bartlett & Ghoshal (1986); Gupta & Govindarajan (1991); Taggart (1997))
- Studies on the subsidiary evolution determinants (Andersson & Forsgren (2000); Benito et al. (2003); Cantwell & Mudambi (2005); Manolopoulos et al. (2005); Dörrenbächer & Gammelgaard (2006); Filippov & Duysters (2012); Burger et al. (2018))
- Studies on the evolution of subsidiaries in CEE (Eckert & Rossmeissl (2007); Jindra et al. (2009); Filippov & Duysters (2012); Burger et al. (2018))

EMPIRICAL BACKGROUND

- The accumulated value of net FDI inflows to Poland (1990–2015):
 - USD 235 billion
- The share of foreign-controlled affiliates in manufacturing sector turnover:
 - (2002) 38.9%
 - (2007) 46.1%
- The average export and import propensity of foreign-controlled affiliates
 - (2002) 39.7% and 35.7%
 - (2007) 51.7% and 38.0%
- The number of value chain functions performed by foreign subsidiaries located in Poland has increased over time (Eckert & Rossmeyssl 2007).

GOAL

Understanding how the role of a foreign subsidiary located in Poland has been evolving over the years as well as interpreting the relations among factors indicating the role and the groups of its potential external and internal determinants.

METHODOLOGY (1)

- A single-site research design
- The selection of the case was theoretically grounded
- Collection of data took place over a period of 18 months, during 2013, 2014 and 2017
- Interviews, formal and informal discussions with key managers, reports, articles, and internal documents of the company
- Three different time segments: 2005 (the subsidiary started its operations), 2012 (first interview), and 2015 (referring to the mid-term future at the time of the interview)

METHODOLOGY (2)

- The issues indicated in the interviews were categorized into:

Subsidiary role	Subsidiary-related factors	Headquarters' involvement	External environmental conditions
<ul style="list-style-type: none"> • Areas of operations • Advancement of operations (complexity and added value) • Market served 	<ul style="list-style-type: none"> • Competitive potential • Relations with local suppliers / portfolio of local suppliers • Initiative 	<ul style="list-style-type: none"> • Autonomy level • Support in terms of competitive potential development • Appraisal of subsidiary aims' fulfillment / recognition of actions 	<ul style="list-style-type: none"> • General macroeconomic conditions • Competitive conditions

FINDINGS

- **Subsidiary role in the MNE value chain**
- Headquarters' involvement
- Subsidiary-related factors
- External environmental conditions

Subsidiary role

- Areas of operations
- Advancement of operations
(complexity and added value)
- Market served

FINDINGS

- Subsidiary role in the MNE value chain
- **Headquarters' involvement**
- Subsidiary-related factors
- External environmental conditions

Headquarters' involvement

- Autonomy level
- Support in terms of competitive potential development
- Appraisal of subsidiary aims' fulfillment / recognition of actions

FINDINGS

- Subsidiary role in the MNE value chain
- Headquarters' involvement
- **Subsidiary-related factors**
- External environmental conditions

Subsidiary-related factors

- Competitive potential
- Relations with local suppliers /
portfolio of local suppliers
- Initiative

FINDINGS

- Subsidiary role in the MNE value chain
- Headquarters' involvement
- Subsidiary-related factors
- **External environmental conditions**

External environmental conditions

- General macroeconomic conditions
- Competitive conditions

Thank you for your attention!