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Practice adoption in MNCS: A multi-level interactionist model of trait activation

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Abstract

Research Summary: Sharing knowledge through organizational practices is an important source of advantage for multinational corporations (MNCs). While prior research on practice adoption by subsidiaries of MNCs has identified several individual and organizational factors, this study examines their interplay in the context of HQ-mandated practices. Drawing on trait-activation theory and zooming in on the complex and nested HQ-subsidiary relationships, we propose that recipient-unit managers' core self-evaluations (CSE) interact with situational features at different levels—the recipient-unit, the practice, and the country levels—to shape adoption of HQ-mandated practices in MNCs. Using a sample of 130 recipient-unit managers in a European MNC, our findings support most theoretical predictions but also reveal variation in situational influences across levels of analysis. With this multi-level interactionist model of trait activation, we advance a relational perspective on practice adoption in

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MNCs and contribute to the microfoundations perspective in international strategy.

Managerial Summary: Corporate headquarters (HQ) in multinational corporations can share knowledge by rolling out practices to subsidiaries to achieve synergies, efficiencies, and compliance. Yet the adoption of these practices by subsidiaries can vary substantially. This study shows that recipient-unit managers' personality traits influence practice adoption across different contextual situations. Recipient-unit managers with stronger personality traits—such as higher self-confidence and proactiveness—have a positive effect on practice adoption. More importantly, however, the situational context shapes this effect: While formal rules (structural coordination) may suppress it, informal means (relational coordination), the types of knowledge involved, and greater distance between HQ and subsidiaries can enhance it. Accordingly, the study suggests that competent managers matter, but that their role in practice adoption is shaped by the specific context.

KEYWORDS

core self-evaluation (CSE), headquarters, knowledge flows, multinational corporation (MNC), organizational practice adoption, personality, relational lens, subsidiary, trait activation-theory

1 | INTRODUCTION

Sharing knowledge through organizational practices across subsidiaries is an important source of competitive advantage for a multinational corporation (MNC) against other MNCs and local competitors (for a recent review, see Fortwengel et al., 2023).¹ The MNC's corporate headquarters (HQ) can play a crucial role in knowledge sharing and practice adoption by coordinating—and, in some cases, mandating—organizational practices to its subsidiaries (Kostova, 1999; Kostova & Roth, 2002), thereby positioning the HQ as the source of knowledge and subsidiaries as its recipients (Fortwengel et al., 2023). Understanding this form of knowledge sharing in the MNC is central to international strategy research because it concerns the nature and functions of the HQ (Teece, 2020) and, in turn, the “economic rationale” for the existence of the MNC (Egelhoff, 2010; Menz et al., 2015; Nell & Ambos, 2013).

The adoption of organizational practices by subsidiaries can vary substantially, even when subsidiaries are obligated to comply with HQ-mandated practices. Prior studies have examined the role of practice characteristics (e.g., Beck & Plowman, 2009; Berry, 2014; Jacqueminet, 2020; Yu & Zaheer, 2010), the HQ-subsidiary relational context (e.g., Kostova & Roth, 2002) and the



subsidiary context (Andrews & Chompusri, 2013; Westney & Piekkari, 2020). Prior research has also pointed to the need for managers in subsidiaries to help translate and explain practices, and to motivate (Fortwengel et al., 2023). Other studies have examined the effects of individual-level factors, including managers' international experience (e.g., Shin et al., 2016), their network relationships (e.g., Fortwengel, 2017; Fortwengel & Jackson, 2016), and social positions (Bjerregaard & Klitmøller, 2016). Taken together, prior research suggests that both *organizational* contexts (or situations) and managers' *individual* characteristics influence the adoption of organizational practices in subsidiaries (see also Appendix A (Table A1)).

In this paper, we contribute to this stream of research by examining the *interactive* effects of managers' *individual* characteristics and *situational* factors. Going beyond prior work that has examined individuals' demographic characteristics and backgrounds, we focus on dispositional personality traits to surface deeper-level psychological microfoundations of knowledge sharing (Foss & Pedersen, 2019; Santangelo et al., 2025), thereby enhancing our understanding of individuals' role in practice adoption. Given our primary interest in the *interactive* effects of person-situation dynamics, we focus on managers' core self-evaluations (CSE) as a unifying personality construct that captures key dimensions of an individual's sense of self, providing an integrative perspective of managers' personality (Chang, Ferris, et al., 2012). CSE is a well-established and validated psychological construct, with its relevance demonstrated across a range of phenomena, including individuals' reactions to organizational change (e.g., Oreg et al., 2011).

Notably, unlike prior research that has often focused on the subsidiary level (Fortwengel et al., 2023), we zoom in on the specific *recipient units* within subsidiaries. Specifically, we conceptualize the relationship between the source of knowledge and its recipient as one between a specific HQ subunit (source) and its corresponding subsidiary subunit (recipient), rather than between the HQ and the subsidiary as a whole. Prior research on HQ-subsidiary relationships has shown that neither HQs nor subsidiaries are monolithic entities, and that their relationships are inherently complex and nested (Andrews et al., 2023; Ghoshal & Nohria, 1989; Kostova et al., 2016; Nell et al., 2017; Nohria & Ghoshal, 1994; Schulte Steinberg & Kunisch, 2016). Embracing these inherently complex and nested HQ-subsidiary relationships is important for understanding how organizational contexts shape the influence of managers' personality traits on practice adoption through the interactive effects of person-situation dynamics and the knowledge flows.

We propose a situated perspective on managers' trait activation in the context of practice adoption. To develop our arguments, we draw on the "interactionist premises" of trait-activation theory (e.g., Tett et al., 2021; Tett & Burnett, 2003), which posit that the influence of individuals' personality traits on organizational outcomes is shaped by multiple sources/levels of trait-relevant cues. As a baseline hypothesis, we argue that subsidiary managers' CSE is positively associated with practice adoption. Embracing the complex and nested HQ-subsidiary relationships in MNCs in which practice transfer occurs from HQ (source) to subsidiaries (recipient units), we then examine three sources of situational features^{1F2} at the (subsidiary) *recipient unit*, *practice*, and *cross-country* levels.³ Specifically, we argue that recipient-unit managers' CSE interacts with (a) coordination mechanisms, (b) practice characteristics, and (c) HQ-subsidiary cultural distance, thereby shaping the general positive baseline relationship between CSE and practice adoption.

To test our hypotheses, we employed a single-firm research design, which enabled us to account for the complex, nested HQ-subsidiary relationships associated with HQ-mandated practices and to overcome challenges in obtaining sensitive personality assessments from

managers in the recipient-unit (i.e., subunits of subsidiaries). This design also allowed us to develop a deeper understanding of the nature of the practices and the HQ's role within the MNC. We compiled a unique dataset comprising 130 practice-adoption cases in the recipient units of a large European MNC.⁴ Our findings provide empirical support for the baseline hypothesis that CSE is positively associated with practice adoption, and for most (albeit not all) of our theoretical predictions regarding the interactive effects of person-situation dynamics on practice adoption, including both practice *implementation* and *internalization*.

Our paper makes three main contributions. First, our study highlights the importance of competent managers for effective knowledge sharing in MNCs. Addressing longstanding calls for research on the role of individuals' personality traits (Kostova & Roth, 2002; Santangelo et al., 2025), we show that specific personality traits influence practice adoption and that situational contexts facilitate or constrain trait activation. Moreover, whereas prior research has largely examined individual- and organizational-level factors in isolation (Fortwengel et al., 2023), our study demonstrates how their interactive effects can shape practice adoption. The situationist insights call for further research on more specific personality traits as well as additional situational features, including both "trait-relevant" and "trait-indifferent" situational cues.

Second, our empirical results call for a more nuanced understanding of practice adoption outcomes in MNCs. While many studies have focused primarily on the implementation (e.g., Ahlvik et al., 2016; Durand & Jacqueminet, 2015; Jacqueminet, 2020; Jacqueminet & Durand, 2020), our empirical findings reveal subtle yet important differences between implementation and internalization as two distinct sub-facets of practice adoption (Kostova, 1999; Kostova & Roth, 2002). Whereas implementation is largely shaped independently by individual-level and situational factors (structural coordination), internalization is driven primarily by the interplay between individual-level and situational factors (relational coordination, practice type, and HQ-subsidiary distance) and is therefore more sensitive to the contexts in which managers' CSE influences practice adoption. This suggests that the institutionalization of HQ-mandated practices depends less on formal rule compliance and more on how recipient-unit managers make sense of, champion, and embed these practices into subsidiary identities. It also points to the need for further research.

Third, our study advances understanding of the micro-level complexities surrounding practice adoption. While classic international strategy works have long criticized the "reductive fallacy" in conceptualizing HQ-subsidiary relationships (Ghoshal & Nohria, 1989; Nohria & Ghoshal, 1994) and have called for "differentiated relational context" at the subsidiary levels to elicit desired behaviors and achieve targeted outcomes (Baliga & Jaeger, 1984; Doz & Prahalad, 1981; Prahalad & Doz, 1981), much of the existing empirical research on practice transfers in MNCs continues to treat HQ and subsidiaries as monolithic entities (Fortwengel et al., 2023). In contrast, in this study, we conceptualize HQ-subsidiary relationships as nested, multi-level relations that shape how recipient-unit managers' active alignment with and local championing of practices influence practice adoption. In doing so, our study offers an enhanced understanding of the multi-level interactionist determinants of practice adoption in MNCs.

Overall, this paper advances a *relational lens* on practice transfers in MNCs and contributes to the microfoundations perspective in international strategy by underscoring the interplay between individual-level heterogeneity and the MNC context.



2 | THEORETICAL BACKGROUND

2.1 | Practice adoption in the MNC

Scholars have extensively examined organizational practice adoption in MNCs (for reviews, see Appendix A (Table A1) and Fortwengel et al., 2023). Building on pioneering research MNCs (Kostova, 1999; Kostova & Roth, 2002) and consistent with prior research, we conceptualize organizational practices as the “routine use of knowledge for conducting a particular function that has evolved under the influence of the organization’s history, people, interests, and actions” (Kostova & Roth, 2002, p. 216). In this paper, we focus on organizational practices mandated by HQ for subsidiaries to share best practices and ensure MNC-wide standards and compliance. Such shared practices typically specify the rules, processes, and routines that recipient-unit managers should follow in functions such as HR, finance, and marketing—for example, introducing a new financial reporting procedure, rolling out corporate social responsibility (CSR) initiatives, or implementing a new customer relationship management (CRM) system.

Developing a deeper understanding of knowledge sharing between HQ and subsidiaries is central to international strategy research, because it directly relates to the functions and “value added” of the HQ and, ultimately, to the “economic rationale” of the MNC (Egelhoff, 2010; Menz et al., 2015; Nell & Ambos, 2013). While our focus on HQ-mandated practices reflects a traditional HQ-subsidiary configuration, some scholars argue that many contemporary MNCs more closely resemble differentiated, networked organizations with more distributed authority and knowledge flows (e.g., see Andrews et al., 2023; Edwards et al., 2022; Foss et al., 2012). Yet even in more network-like MNCs, HQs typically continue to act as repositories of organizational knowledge and as orchestrators of knowledge and best-practice sharing (Menz et al., 2015; Nell et al., 2017).

Despite the potential benefits of new practices, their adoption in subsidiaries does not occur automatically. It requires “extra effort and motivation on behalf of both the source and the recipient” (Fortwengel et al., 2023).⁵ For example, Kostova (1999, p. 311) defines practice transfer as “(1) the diffusion of a set of rules and (2) the transmission or creation of an ‘infused-with-value’ meaning of these rules among the employees of the recipient unit,” and defines the success of practice transfer as “the degree of institutionalization of the practice at the recipient unit” to the extent that it reaches a taken-for-granted status. A practice, thus, becomes “accepted and approved by employees” who “see the value of using this practice, and [...] the practice becomes part of the employees’ organizational identity” (Kostova, 1999, p. 311).

This process involves several critical management tasks carried out by the “transfer coalition,” including interpreting and making sense of the motives behind the knowledge transfer (e.g., Gondo & Amis, 2013), mobilizing resources, adapting practices (e.g., Gamble, 2010; Gutierrez-Huerter et al., 2020; Monteiro & Birkinshaw, 2017; Yu & Zaheer, 2010), motivating employees, learning (e.g., Saka-Helmhout, 2010; Wang et al., 2004), and navigating episodes of negotiation and contestation during transfers (e.g., Bjerregaard & Klitmøller, 2016; Hong et al., 2016). Practice adoption is therefore a multifaceted process that requires motivated and capable recipient-unit managers.

Following Kostova and Roth (2002), we adopt an “active agency perspective” (p. 216), which recognizes that subsidiaries differ in their adoption of practices even when those practices are mandated by HQ (Kostova, 1999; Kostova & Roth, 2002). Building on prior research by this work, we draw on the two outcome dimensions of practice adoption proposed by Kostova (1999,

p. 311): (a) *implementation*—“the degree to which the recipient unit follows the formal rules implied by the practice” and “is reflected in certain objective behaviors and actions at the recipient unit,” and (b) *internalization*—“the state in which the employees at the recipient unit attach symbolic meaning to the practice.”

Our study rests on a set of assumptions and boundary conditions that shape its conceptual approach and research design.⁶ First, as noted above, we assume that HQ matters and can roll out organizational practices to subsidiaries and their subunits. While some research has challenged the traditional hierarchical view of MNCs, we build on Andrews et al. (2023) to argue that MNC HQs continue to play an important coordinating role in knowledge sharing and can also mandate practices for subsidiaries.

Second, our study assumes that recipient-unit managers play a significant role in practice transfer and knowledge sharing in MNCs, a view consistent with prior research (Fortwengel et al., 2023; Foss & Pedersen, 2019). This assumption is grounded in the complexity of the transfer process, which “requires extra effort and motivation on behalf of [...] the recipient” (Fortwengel et al., 2023). Responding to calls for research on “individual-level variables, such as education, expertise, orientation to change, and even some *personality variables*” (italic emphasis added) (Kostova & Roth, 2002, p. 230), prior studies have shown that factors such as managers’ international experience (Shin et al., 2016), network relationships (Fortwengel, 2017; Fortwengel & Jackson, 2016), and social position (Bjerregaard & Klitmøller, 2016) influence practice adoption and knowledge sharing in MNCs. To advance our understanding of individual-level factors, our paper focuses on recipient-unit managers’ personality traits (i.e., the psychological underpinnings) while also considering their situational contexts in which they operate.

2.2 | CSE as a unifying personality trait

We develop and test theoretical predictions concerning the person-situation interplay between recipient-unit managers’ personality traits and situational factors in HQ-mandated practice transfers to subsidiaries. Our analysis focuses on recipient-unit managers’ CSE—a higher-order integrative personality construct that reflects “a basic, fundamental appraisal of one’s worthiness, effectiveness, and capability as a person” (Judge et al., 2003, p. 301). CSE captures four foundational personality traits: *self-esteem*, *self-efficacy*, *locus of control*, and *emotional stability*.⁷ *Self-esteem* refers to individuals’ fundamental appraisals of themselves, including self-acceptance, self-liking, and self-respect (Judge et al., 1997; Judge, Erez, & Bono, 1998; Judge, Locke, et al., 1998). *Self-efficacy* reflects individuals’ estimations of their ability to mobilize motivation, deploy cognitive resources, and control life events (Bandura, 1982). *Locus of control* refers to how individuals perceive themselves within their internal and external environments and the extent to which they believe they can influence those environments (Rotter, 1966). *Emotional stability* concerns the ability to remain calm and composed, particularly under stress (Hiller & Hambrick, 2005; Judge et al., 1997). Overall, CSE represents a positive personality trait associated with higher levels of intrinsic motivation, cognitive abilities, a strong sense of duty, and commitment (Chang, Ferris, et al., 2012).

A substantial body of empirical research has focused on developing and testing the CSE personality construct and examining its effects on a range of organizational outcomes (cf., Chang, Ferris, et al., 2012). One stream of research has centered on front-line employees, revealing positive associations between CSE and job satisfaction, work perceptions, commitment, motivation,



performance, and the ability to cope with change (Chang, Ferris, et al., 2012; Gagné & Deci, 2005; Judge et al., 1997; Judge, Erez, & Bono, 1998; Judge & Kammeyer-Mueller, 2011; Judge, Locke, et al., 1998; Kammeyer-Mueller et al., 2009). CSE has also been linked to positive organizational behaviors, including a higher likelihood of organizational citizenship behavior, greater job engagement, and lower voluntary turnover (e.g., Chang, Ferris, et al., 2012; Judge & Kammeyer-Mueller, 2011; Luthans & Youssef, 2007; Rich et al., 2010).⁸ Other scholars have focused on CEOs and other top executives (e.g. Chang, Rodgers, et al., 2012; Hiller & Hambrick, 2005; Nadkarni & Herrmann, 2010; Resick et al., 2009; Simsek et al., 2010). These studies identify links between top managers' CSE and risk-taking propensity (Hiller & Hambrick, 2005), the likelihood of adopting an entrepreneurial orientation (Simsek et al., 2010), and managers' responses to different compensation schemes (Chang, Rodgers, et al., 2012). Extending this line of this research, we shift the focus from upper echelons and front-line employees to middle managers an important yet understudied group in the literature on practice adoption.

2.3 | Recipient-unit managers' CSE and practice adoption

Combining prior research on CSE with the demands of the multifaceted practice-adoption process, we propose the baseline hypothesis that managers with higher CSE are more favorable toward practice adoption. This baseline hypothesis is consistent with the conceptualization of CSE as a positive personality trait (Judge, Erez, & Bono, 1998) and with extensive prior empirical research. In the context of practice adoption, which requires "extra effort and motivation on behalf of [...] the recipient" (Fortwengel et al., 2023), we expect managers with higher levels of CSE to exhibit greater intrinsic motivation and to possess higher cognitive and behavioral capabilities necessary for successful practice adoption than managers with lower CSE.

Practice adoption is a process that involves sensemaking, mobilizing resources, making modifications and adaptations, motivating employees, and negotiating with higher-ups. These tasks are facilitated by key aspects of CSE. For example, higher-CSE managers are better able to understand HQ's motivations for rolling out a practice, making them more inclined to implement it. They are also more capable of adapting and tailoring new practices to the subsidiary context, thereby minimizing disruption to local routines. Higher-CSE individuals have a stronger sense of duty and are likely to feel more obligated to fulfill their job requirements than those with lower CSE. Prior empirical research has shown a link between CSE and the fulfillment of job duties, persistence, and conscientiousness (Chang, Ferris, et al., 2012; Gagné & Deci, 2005). A heightened sense of duty and a strong desire to excel in their work make higher-CSE managers more likely to take HQ-mandated practices seriously, to accept them with less resistance, and to adopt them effectively. Moreover, higher-CSE managers generally exhibit greater commitment to their firms than lower-CSE individuals. Their emotional stability and self-confidence enable them to avoid behaviors that could harm the organization, and they may even actively promote the firm within their professional networks (Chang, Ferris, et al., 2012). This commitment is expected to translate into a greater willingness to adopt HQ-mandated practices.

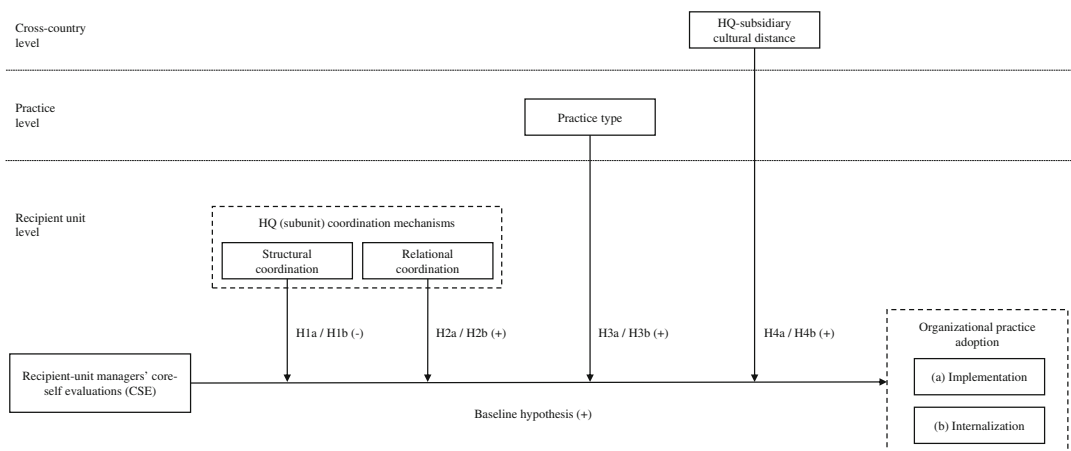
We expect higher-CSE managers to be more favorable toward different degrees of practice adoption, including both implementation and internalization. Given their higher motivation, confidence, and commitment linked to higher levels of organizational citizenship behavior, we expect that recipient-unit managers with higher CSE are more likely to diligently implement

HQ-mandated practices by ensuring adherence to formal requirements. At the same time, their greater engagement and intrinsic motivation should also make them more likely to internalize these practices, fostering deeper acceptance and institutionalization within the subsidiary's organizational identity. Because they view themselves as capable and in control, higher-CSE managers are less likely to experience mandated practices as threatening and more likely to take ownership of them, invest effort in making them work locally, and actively mobilize others to support and sustain their use. Accordingly, we propose the following baseline hypothesis:

Baseline hypothesis. *Recipient-unit managers' core self-evaluations (CSE) are positively related to (a) the implementation and (b) the internalization of an organizational practice at a recipient unit.*

3 | A MULTI-LEVEL INTERACTIONIST MODEL

While the baseline hypothesis portrays recipient-unit managers as competent, confident, and motivated actors, they operate in diverse subsidiary contexts in which practice transfers take place (Fortwengel et al., 2023; Foss & Pedersen, 2019; Kostova et al., 2016). Following Johns (2006), we conceptualize the organizational contexts as the “[...] situational opportunities and constraints that affect the occurrence and meaning of organizational behavior [...]” (p. 386). We therefore argue that the interplay between managers' CSE traits and the context in which HQ-mandated practices are implemented shapes practice adoption in recipient units. More specifically, we propose a multi-level interactionist model of trait activation that explains how recipient-unit managers' personality traits influence practice adoption. Building on the baseline hypothesis that recipient-unit managers' CSE is positively associated with practice adoption, we argue that situational cues at (a) the *recipient unit*, (b) the *practice*, and (c) the *country* levels shape the extent to which individual personality traits affect practice-adoption outcomes. Figure 1 provides a graphical illustration of our conceptual model.



Note: HQ = headquarters; we use "recipient unit" (i.e., subsidiary subunit) and HQ "subunit" to indicate that the unit of analysis is within subsidiary and HQ and variance within subsidiary and HQ levels.

FIGURE 1 Multilevel model of interactive effects of recipient-unit managers' core-self evaluations (CSE) and situational features in the context of HQ mandated practice transfers.



To develop our arguments, we draw on the *interactionist principles* of trait-activation theory (Tett & Burnett, 2003; Tett & Guterman, 2000) to explain how situational factors influence the relationship between recipient-unit managers' personality traits and practice-adoption behavior. Trait-activation theory suggests that contextual and situational factors influence the “personality trait—job performance” relationship by determining whether a particular personality trait is activated (Kacmar et al., 2009; Tett & Burnett, 2003). Based on these principles, we focus on key sources of situational cues that emanate from the complex and nested HQ-subsidiary relationships in MNCs, in which practice transfers occur from HQ units to subsidiary units (Fortwengel et al., 2023; Kostova et al., 2016). These cues manifest in how HQ coordinates the transfer, in the characteristics of the practices, and in the country contexts in which HQ and subsidiaries are embedded. Extending the work of Kostova and Roth (2002), who argued that “a subsidiary's response to the parent's initiative is influenced by its interpretations and perceptions of the practice” (p. 217), we propose that these interpretations and perceptions are, all else equal, shaped by the interplay between individuals' personality traits and situational cues. In the following subsections, we therefore focus on managers' perceptions of the coordination mechanisms HQ uses in practice transfer (at the recipient-unit level), practice characteristics (at the practice level), and HQ-subsidiary cultural distance (at the cross-country level).

3.1 | Recipient-unit level: Interactive effects of recipient-unit managers' CSE and coordination

We hypothesize that practice adoption is shaped at the recipient-unit level by the interplay between recipient-unit managers' CSE and their perceptions of coordination mechanisms relevant to practice transfer. We use the umbrella term “coordination mechanisms” and acknowledge prior research has employed various terms, including “control and coordination” (Zeng et al., 2023) and “integration mechanisms.” We focus on recipient-unit managers' perceptions of coordination mechanisms because our interest lies in individuals and in how they interpret HQ's coordination efforts, which may differ across recipient-unit managers.

We distinguish between two types of coordination—structural coordination (i.e., formalization) and relational coordination (i.e., socialization). These dimensions have been widely used in previous research to characterize coordination mechanisms in HQ-subsidiary relationships in MNCs (Zeng et al., 2023) and in practice transfers (e.g., Björkman & Barner-Rasmussen, 2004; Björkman & Lervik, 2007). For example, Nohria and Ghoshal (1994) distinguished “two different approaches to managing the nexus of headquarters-subsidiary relations in a multinational corporation (MNC)” (p. 491). Similarly, López-Sáez et al. (2021) distinguish between formal and informal integration mechanisms, which rely on different processes and offer different information-processing capacities. Formal mechanisms coordinate and integrate differentiated activities through pre-established structures and interfaces, whereas informal mechanisms reflect emergent social properties and have been shown to facilitate boundary spanning across units. These coordination mechanisms are important for trait activation, because “they influence the perceived salience of the pressure to adopt, the perceptions of the subsidiary [manager] about the value of the practice, and the perceived motives of the parent organization for the dissemination of the practice” (Kostova & Roth, 2002, p. 218).

We argue that recipient-unit managers' exposure to and differing perceptions of these coordination mechanisms used in MNC subsidiaries trigger distinct CSE responses, which, in turn, shape the CSE-practice-adoption relationship. Specifically, we propose that perceived structural

coordination constraints trait activation, limiting the extent to which personality traits influence practice adoption. In contrast, perceived relational coordination facilitates trait activation, encouraging managers with higher CSE to engage more actively in the adoption process. We next develop hypotheses regarding the interplay of these coordination mechanisms and managers' CSE.

Structural coordination. Structural coordination mechanisms, such as formal guidelines and rules, provide behavioral controls that shape the organizational environment (Eisenhardt, 1989; Kreutzer et al., 2015; Ouchi, 1977, 1978). In the context of practice transfers, structural coordination refers to the extent to which HQ subunits employ written rules, standardized procedures, and strict enforcement mechanisms that prescribe how recipient-unit managers should adopt organizational practices. High levels of structural coordination create a situational context that reduces individual discretion and limits managers' ability to engage in autonomous decision-making regarding practice adoption. As a result, structural coordination constrains the extent to which personality traits influence behavior. Specifically, structural coordination restricts recipient-unit managers' opportunities to engage in creative problem-solving or adapt the practice to local conditions. While such rules may ensure compliance, they constrain the ability of high-CSE managers—who typically thrive in environments that allow them to exercise self-efficacy, control, and confidence—to fully express their personality traits (Gondo & Amis, 2013). Higher-CSE managers may therefore perceive strong structural coordination as an unnecessary constraint that undermines their autonomy and limits their capability to tailor practice-adoption processes to the subsidiary's specific needs. Consequently, structural coordination can reduce the differential positive effect of CSE on both implementation and internalization relative to lower-CSE managers.

Conversely, when structural coordination is low, higher-CSE managers' intrinsic motivation, problem-solving abilities, and sense of responsibility become more important in driving the practice-adoption process proactively. In such contexts, they have greater discretion to interpret, modify, and adapt practices while ensuring alignment with both HQ's expectations and the subsidiary's local requirements. This trait-facilitating environment allows high-CSE managers to engage more fully in both implementation (by efficiently following procedural steps) and internalization (by fostering commitment and embedding practices into the subsidiary's routines). Accordingly, we argue that recipient-unit managers' CSE traits matter less in the presence of higher levels of structural coordination and more when it is limited. With respect to implementation and internalization, we expect structural coordination to weaken the effects of CSE on both outcomes, with the effect being stronger for implementation than for internalization. Thus, we hypothesize:

Hypothesis 1 (H1a and H1b). *Structural coordination weakens the positive relationship between recipient-unit managers' CSE and the (a) implementation and (b) internalization of an organizational practice at a recipient unit.*

Relational coordination. Relational coordination refers to socialization and shared values aimed at creating organizational alignment through informal, relational means that help align HQ and recipient-unit managers toward a common goal (Cardinal et al., 2010; Kreutzer et al., 2015). Scholarly interest in shared values as informal controls originated in the work of Ouchi (1978, 1979, 1980), who used the term “clan” to describe groups of individuals who cultivate and share common norms and values, develop a sense of mutual dependence, and, consequently, show a high degree of goal alignment without formal governance structures. Informal



controls thus serve as “socialization mechanisms that help establish and maintain norms, values, and culture” (Kreutzer et al., 2016, p. 236) in MNCs. These shared values can be cultivated through various means, such as mentoring programs, recipient-unit manager visits to HQ, and management training programs that facilitate informal interactions between subsidiary and corporate managers (Ambos et al., 2019; Nohria & Ghoshal, 1994). Through these processes, HQ can foster a common identity that strengthens alignment between HQ and recipient-unit managers.

Drawing on trait-activation theory, higher levels of relational coordination create situational contexts that allow managers with personality traits such as CSE to shape behavior more freely. In such environments, higher-CSE managers feel empowered to exercise autonomy, make discretionary decisions, and engage in proactive problem-solving, thereby facilitating both the implementation and internalization of practices. Shared values developed through relational coordination also confer legitimacy on practices (Suchman, 1995), enabling higher-CSE managers to view practice adoption as aligned with corporate goals rather than as a coerced mandate. By internalizing these values, higher-CSE managers’ stronger sense of duty, commitment, and confidence further empower them to take ownership of practice adoption and to implement new organizational practices effectively.

In contrast, at lower levels of relational coordination, recipient-unit managers experience greater ambiguity regarding the intentions behind practice transfers and may perceive HQ’s directives as disconnected from their local realities. Without strong socialization mechanisms, recipient-unit managers lack informal support networks, making it more difficult to navigate challenges associated with practice adoption. The absence of shared values and interpersonal alignment limits the ability of even higher-CSE managers to adopt the practice effectively, diminishing their performance in both implementation (due to unclear expectations and limited discretion) and internalization (due to a lack of legitimacy and personal commitment to the practice). Thus, in contexts characterized by low relational coordination, the otherwise positive influence of CSE on practice adoption is expected to be less pronounced.

Accordingly, we argue that relational coordination amplifies CSE trait activation by creating an environment in which higher-CSE managers understand what HQ is trying to achieve, share the same values, and can fully deploy their confidence, motivation, and sense of duty in the practice-adoption process. We expect this amplifying effect for both implementation and internalization, but to be particularly pronounced for internalization, where shared values and social alignment are important for embedding practices into the subsidiary’s organizational identity. Thereby, we hypothesize:

Hypothesis 2 (H2a and H2b). *Relational coordination strengthens the positive relationship between recipient-unit managers’ CSE and the (a) implementation and (b) internalization of an organizational practice at a recipient unit.*

3.2 | Practice level: Interactive effects of recipient-unit managers’ CSE and practice types

At the practice level, we argue that the interplay between the characteristics of HQ-mandated practices and recipient-unit managers’ CSE shapes practice adoption. Prior research has established that knowledge transfers are practice-specific⁹ and that recipient-unit managers’ perceptions of a practice’s salience influence their motivation to adopt it (Kostova &

Roth, 2002). Building on research on legitimacy-judgment cues in practice adoption (Jacqueminet, 2020; Jacqueminet & Durand, 2020), we expect that managers in “a firm’s sub-units assess a corporate practice based on their own perceptions of its appropriateness, i.e. based on propriety evaluations (Bitektine & Haack, 2015; Suddaby et al., 2017; Tost, 2011)” (Jacqueminet, 2020, p. 1488). In particular, instrumental evaluations rely on the perceived strategic importance of a practice, defined as the extent to which a recipient-unit manager perceives the practice “as promoting [its] material interests” (Tost, 2011, p. 690)—that is, as facilitating its “attempts to reach self-defined or internalized goals or outcomes” (Tost, 2011, p. 693) (Jacqueminet & Durand, 2020). Recipient-unit managers are therefore more likely to perceive a practice as strategically important when it adds value to the subsidiary (Nell & Ambos, 2013).

Regarding trait activation, when HQ mandates practices of greater strategic importance for subsidiaries—such as those designed to enhance efficiency or foster innovation—we expect that the activation of higher-CSE managers’ traits to be more pronounced. Higher-CSE managers are more likely to perceive these practices as opportunities rather than constraints. Moreover, practices with greater strategic importance typically involve more multi-dimensional, cross-functional changes and often embody tacit assumptions about new ways of working, leaving more room for interpretation, local problem-solving, and discretionary adaptation. As a result, they often allow greater managerial discretion in their implementation and adaptation, creating an environment in which higher-CSE managers can fully engage in self-regulatory processes such as problem-solving, initiative-taking, and proactive decision-making. Given their intrinsic motivation, confidence, and belief in their ability to influence outcomes, higher-CSE managers are particularly inclined to embrace such value-creating practices. They are likely to view these practices as opportunities that align with their drive for achievement and autonomy, which, in turn, facilitates both implementation (adherence to formal requirements) and internalization (the integration of the practice into the subsidiary’s identity and routines).

Conversely, when HQ imposes practices that have (seemingly) lower strategic importance for subsidiaries—such as compliance and risk-mitigation measures that are perceived as loss-preventing and aimed at eliminating potential threats—we expect the activation of higher-CSE managers’ traits to be more limited. These practices are often characterized by stricter guidelines, rigid enforcement mechanisms, and little room for discretionary adaptation. They tend to be more codified, narrowly focused, and procedurally specified, which reduces the ambiguity and multidimensionality of the “issue space” and constrains the scope for managerial framing and championing. As a result, higher-CSE managers may perceive such practices as bureaucratic constraints rather than opportunities for value creation, reducing their motivation to engage deeply in the adoption process. While they may comply with these mandates at a formal level (ensuring implementation), they are less likely to internalize them, as such practices may be viewed as externally imposed obligations rather than meaningful strategic initiatives.

In sum, we argue that practice propriety (perceived strategic importance) moderates the effect of CSE on practice-adoption behavior by shaping the degree of trait activation among higher-CSE managers. When practices emphasize strategic importance, they create a context in which higher-CSE managers can fully leverage their dispositional traits, thereby enhancing both implementation and internalization. In contrast, practices that seem less important limit self-regulatory processes, reducing the extent to which higher-CSE managers actively engage in their adoption beyond basic compliance. Thus, we hypothesize:



Hypothesis 3 (H3a and H3b). *Practice type will moderate the relationship between recipient-unit managers' CSE and the (a) implementation and (b) internalization of an organizational practice at a recipient unit, such that the CSE-practice-adoption relationship will be stronger for practices of greater strategic importance.*

3.3 | Country level: Interactive effects of recipient-unit managers' CSE and HQ-subsidary cultural distance

At the country level, we argue that practice adoption is shaped by the interplay between the recipient-unit manager's CSE and the cultural distance between the HQ and the subsidiary. Cultural distance refers to differences in cultural values between two countries (Beugelsdijk et al., 2018; Shenkar, 2001)—between the HQ (home) country and the subsidiary (host) countries. Although scholars have examined other types of distance, such as geographic, economic, and administrative distance, cultural distance remains the most widely studied in international business research (Beugelsdijk et al., 2018) and has been found to be particularly relevant for HQ-subsidary knowledge transfers (e.g., López-Sáez et al., 2021).

Drawing on trait activation theory, we argue that cultural distance moderates the influence of CSE on practice adoption. When the HQ's culture and the subsidiary's culture differ greatly, there are fewer shared assumptions or ready-made scripts for adoption, meaning the manager cannot simply rely on “the way we do things” or straightforward HQ directives. This ambiguity heightens the relevance of individual initiative and judgment, thereby enabling trait activation. Cultural distance can thus serve as a trait-activating context that triggers a manager's core self-evaluations.

Higher-CSE managers are likely to interpret the challenging context as an opportunity to assert control and demonstrate competence. Their confidence in their abilities enables them to navigate cross-cultural misunderstandings, adapt the practice appropriately, and persist despite implementation hurdles. Hence, a wide cultural gap “facilitates” the expression of CSE in practice adoption: high-CSE managers will proactively work to make the practice effective, whereas low-CSE managers may feel overwhelmed or hesitant. This logic aligns with prior trait-activation research showing that challenging, uncertain environments amplify the behavioral impact of positive self-concept traits (Judge & Zapata 2015). Thus, when cultural distance is high, individual differences in CSE exert a stronger influence on practice-adoption outcomes. Higher-CSE managers may even engage with HQ to suggest adaptations that create further value across different cultural contexts.

By contrast, when the HQ and subsidiary share similar cultural values and/or language, the transferred practice is more naturally aligned with local norms and expectations (Qin et al., 2008). Practice adoption in this scenario is relatively clear-cut—subsidiary staff can more easily understand the practice's intent, and there is likely local legitimacy for the HQ initiative. Cultural similarity creates greater clarity and consensus about appropriate behavior, providing a situational context in which most managers would comply with or implement the practice regardless of personal disposition. A context with lower cultural distance provides fewer trait-relevant cues because the environment itself already guides behavior. Thus, building on the above arguments, we hypothesize the effect of cultural distance as follows:

Hypothesis 4 (H4a and H4b). *HQ-subsidary cultural distance strengthens the positive relationship between recipient-unit managers' CSE and the (a) implementation and (b) internalization of an organizational practice at a recipient unit.*

4 | METHODS

4.1 | Research design and data collection

The choice of our research design was based on two key considerations. First, consistent with our study's objective of examining how recipient-unit managers' personality traits influence practice adoption in recipient units, our primary focus was on collecting personality data from managers. Gathering such sensitive data from managers is inherently challenging and requires establishing a trust-based relationship with a company. Second, while prior research has documented *between-firm* heterogeneity, our study focused on *within-firm* heterogeneity in practice adoption arising from the interplay between individual personality traits and contextual factors. Specifically, we aimed to capture the complex and nested dynamics of HQ-subsidary relationships that shape practice transfer from HQ to recipient units. Recent reviews on knowledge sharing (e.g., Fortwengel et al., 2023) have highlighted the need for research that better capture the complex nature of MNC settings.

To accommodate these two considerations, we adopted a single-firm research design, an approach that a few other studies of practice adoption have also employed (e.g., Durand & Jacqueminet, 2015; Jacqueminet, 2020). While this research design limits the generalizability of our findings to other MNCs and their institutional contexts, it enabled us to collect sensitive personality data, capture the internal complexities of an MNC, and better control for between-firm effects on MNC-practice adoption.

We selected a mid-sized European MNC, headquartered in Switzerland, with a rich history dating back to the mid-19th century. We were familiar with this MNC prior to initiating the study due to earlier interactions with several actors, including guest lectures and discussions. Leveraging our familiarity with and existing work relationships within the company, we negotiated access through the CEO and the Chief Strategy Officer (CSO), who also served as internal sponsors of our study. At the time of our data collection, the MNC had six country subsidiaries in Central European (Switzerland, Germany, Austria, Italy, Spain, and France), employed approximately 14,000 people and served over seven million customers. The company had a traditional formal structure: the top management team (TMT) comprised six people, including a CEO, a CFO, and a CIO. The heads of all country subsidiaries participated in CEO meetings.

The HQ rolled out 24 organizational practices, assigning responsibility for their adoption to managers in the recipient-units of each of the six country subsidiaries. Many of these practices were relatively generic, including the introduction of a new financial reporting procedure, specific CSR initiatives, and a new CRM system. Accordingly, successful practice adoption meant that the new financial reporting procedure, CSR practice, or CRM system was implemented in a subsidiary. If all 24 practices had been rolled out across all subsidiaries, the total number of practice-adoption cases would have been 144 (i.e., 24×6). However, not all practices were implemented in all subsidiaries, resulting in a dataset of 133 practice-adoption cases.

Data collection took place in April and May 2013. We distributed two online surveys to recipient-unit managers: one focused on organizational context and practice adoption, and the other on managers' demographics and personality traits. The two surveys were sent out



simultaneously. The CEO announced the research project and surveys via email, after which the research team directly distributed the surveys to all recipient-unit managers. While this process ensured the independence of our research, top management's endorsement contributed to a high response rate. Nevertheless, despite multiple reminders—first via email and later by phone—not all managers participated in the survey.

In total, we distributed surveys to 159 recipient-unit managers representing 133 practice-adoption cases, nested within 24 mandated organizational practices and six country subsidiaries. Of the 159 recipient-unit managers, 29 did not respond to our survey, resulting in a final sample of 130 responding recipient-unit managers (response rate = 82% at the subsidiary-subunit-manager level, that is, 82% of these managers responded) representing 112 practice-adoption cases (response rate = 84%, i.e., managers from 84% of these practices responded) nested within all 24 mandated organizational practices and all country subsidiaries.¹⁰ Subsidiary-subunit managers were on average 49.11 years old ($SD = 6.33$), 93% held a university degree, and they had worked for the company for an average of 13.48 years ($SD = 10.40$).¹¹ An illustration of the data structure and an overview of the final sample are provided in Appendix B (Tables B1 and B2), respectively.

We took several steps to address potential sources of bias arising from our survey-based research method. First, we guaranteed participants' anonymity, clearly stating that all survey responses would be analyzed in anonymized form and that no individual-level responses would be disclosed to the company's top management. Second, our collaboration with the HQ enabled us to some extent to obtain "external" assessments and validation regarding whether practices had been implemented. Finally, we used established measurement items that have shown to be reliable in survey-based research (e.g., Bruning et al., 2012) to assess respondents' personality traits.

4.2 | Measures

4.2.1 | Dependent variables: Implementation and internalization of organizational practices

We measured two sub-facets of practice adoption developed by Kostova and Roth (2002): (a) *implementation* and (b) *internalization*, which have been used in prior studies on knowledge transfers in MNCs (Fortwengel et al., 2023). We made minor adaptations to both measures to align them with the business context of our focal MNC.

Implementation. We measured implementation using the nine-item scale from Kostova and Roth (2002), asking recipient-unit managers to what extent they had implemented the HQ-mandated practice and its related processes at their subsidiary. Exemplary items include "The mandated practice is fully operational at our subsidiary," "Employees at our subsidiary use the mandated practice as intended," and "We have established all necessary processes to support the practice." All items were measured on a Likert-type scale ranging from (1) "no extent" to (7) "a very large extent." The alpha coefficient for implementation was 0.92.

Internalization. Correspondingly, we measured internalization using the seven-item scale developed by Kostova and Roth (2002), asking recipient-unit managers whether they had internalized the mandated practice for which they were responsible. The measurement items included, for example, whether the recipient-unit managers "[are] willing to put in a great deal of effort beyond that normally expected to help implement the corporate-wide functional

processes,” “really care about the corporate-wide functional processes and their future,” and “find it difficult to agree with what the corporate-wide functional processes suggest.” All items were measured on a Likert-type scale ranging from (1) “strongly disagree” to (7) “strongly agree.” The alpha coefficient for internalization was 0.87.

4.3 | Independent and moderating variables

CSE. We measured CSE using the 12-item scale developed by Judge et al. (2003), which has demonstrated strong construct, content, and discriminant validity and has been widely used in prior studies (e.g., Bendig et al., 2018; Lee & Duffy, 2019; Raffiee & Feng, 2014; Simsek et al., 2010). Judge et al. (2003) emphasize that CSE represents a higher-order, unifying construct that cannot be decomposed into its underlying subdimensions. All items were measured on a five-point Likert-type scale. The Cronbach's alpha was 0.86.

Structural coordination. Following prior literature (Ambos & Schlegelmilch, 2007; Cardinal, 2001; Collis et al., 2007), we measured structural coordination using a four-item, seven-point Likert scale capturing the extent and enforcement of formalized procedures. We asked managers to rate the following items: (1) “Written rules about functional processes exist,” (2) “There are rules and procedures stating how to perform normal daily activities,” (3) “There are standard procedures for individual tasks,” and (4) “There is strict enforcement of written rules and procedures.” The Cronbach's alpha was 0.86.

Relational coordination. Following Björkman and Barner-Rasmussen (2004), we measured relational coordination using four items. First, we asked recipient-unit managers whether they had mentors at HQ (coded 1 for “yes” and 0 for “no”). Second, we asked whether they had worked at HQ for more than 1 year (coded 1 for “yes” and 0 for “no”). Third, we asked them about the frequency of their HQ visits, coding managers who visited HQ at least once per month as 1 and those who visited less frequently as 0; all subsidiaries were located within a two-hour travel distance from HQ by car, train, or plane. Finally, using archival records, we determined whether managers had participated in corporate training programs (coded 1 for “yes” and 0 for “no”). Consistent with prior research (Björkman & Barner-Rasmussen, 2004; Ghoshal & Bartlett, 1988), we calculated an aggregate measure of relational coordination by summing the four indicators, yielding a scale ranging from 0 to 4. While we use this measure as a proxy for the managers' perceptions of relational coordination, it mitigates potential subjective biases, as managers with higher levels of CSE may perceive their organizational context differently from those with lower CSE.

Practice propriety. To capture the practices' propriety (i.e., their strategic importance), we used the company's classification of practices based on secondary data from company documents. Practices were categorized according to their economic rationale: While some practices' economic rationales focused on “satisfying basic requirements of governance, control, and reporting (a consequence of, not a reason for, being an MNC),” others focused on “providing services to multiple units in order to gain advantages over alternative internal or external providers (synergies and scale)” (quotes from company documentation). In other words, some practices addressed governance and compliance requirements, whereas others were designed to create cross-unit synergies and scale efficiencies—characteristics that reflect their strategic importance. This distinction aligns with the basic roles of HQs in MNCs and is well established in prior research on HQ-subsidiary relationships (Chandler, 1991; Egelhoff, 2010; Foss, 1997; Menz et al., 2015; Nell & Ambos, 2013). HQ also used these documents when rolling out the



practices to the recipient units, and we treat them as a proxy for recipient-unit managers' perceptions of the practices' propriety. Based on the company's classification, we coded the practices as loss-preventing (coded 0) or value-creating (coded 1).

HQ-subsidiary cultural distance. Following prior research (Beugelsdijk et al., 2018), we used Hofstede's original four dimensions (i.e., power distance, individualism/collectivism, masculinity/femininity, and uncertainty avoidance, plus the two dimensions—long-term/short-term orientation and indulgence/restraint—which were later added by Hofstede et al. (2010)). We applied a Mahalanobis distance measure, which is superior to traditional approaches, because it corrects for covariances among Hofstede's dimensions (Berry et al., 2010; Mahalanobis et al., 1937). This approach is preferable to the Euclidean distance method, which assumes independence among dimensions and can therefore yield biased results when moderate to high correlations exist, as is the case with Hofstede's dimensions.

4.4 | Control variables

To account for alternative explanations and potential confounding effects, we included three sets of control variables capturing characteristics at the subsidiary, practice, and individual (recipient-unit manager) levels. Control variables related to subsidiaries and practices were collected from company archival records, whereas those concerning recipient-unit managers were derived from our survey. At the country level, we controlled for *subsidiary size*, measured as the (log) number of employees in each subsidiary unit, as larger units may be more powerful and their managers more likely to resist practice adoption.

At the practice level, we controlled for *practice influence*, as practices may differ in their relative importance in terms of resources and attention they receive from HQ and subsidiaries (Bouquet & Birkinshaw, 2008; Nell & Ambos, 2013). To measure the practice influence, we used the number of employees involved in each practice. We also controlled for *practice age*, as older practices may carry an administrative heritage that shapes their relationship with HQ (Bouquet & Birkinshaw, 2008). Both variables were log-transformed to account for skewness in their distributions.

Finally, at the individual (recipient-unit manager) level, we controlled for *age* and *tenure* to account for their potential influences (Campbell et al., 2023; Finkelstein et al., 2009). Both variables were measured in years and log-transformed to correct for skewness in their distributions. In addition, although all recipient-unit managers were identified based on their responsibility for adopting organizational practices, their hierarchical positions differed to some extent, potentially affecting their power, knowledge, and attitudes toward HQ-mandated practices. To account for this, we controlled for managers' *hierarchical level*, measured as the manager's hierarchical distance from the CEO (i.e., 1 for the CEO's direct reports, 2 for one level below direct reports, etc.).

4.5 | Common method variance and endogeneity

We took several procedural and statistical steps to mitigate the risk of potential common-method variance (CMV), defined as variance attributable to the measurement method rather than the construct of interest (Podsakoff et al., 2024, p. 18). In terms of *procedural means*, we first ensured respondents' confidentiality to avoid social desirability bias and the consistency

motif. Second, we used two separate surveys—one to assess the organizational context and another to collect data on individuals' personalities and demographic backgrounds (cf., Lindell & Whitney, 2001). This approach helped reduce the likelihood of respondents facing a social desirability bias (Podsakoff et al., 2012) and made it less likely for them to provide consistent answers, thereby consciously or unconsciously aligning their responses with a common narrative (Podsakoff et al., 2012; Podsakoff et al., 2024). Third, we relied on well-established scales. Fourth, we incorporated reverse-coded items and used items adapted to our research context after extensive pretesting and validation (Lindell & Whitney, 2001; Spector et al., 2019), which helped break automatic response patterns and encouraged respondents to think carefully about each question (Cortina et al., 2020; Podsakoff et al., 2024). Finally, we combined different types of measures from primary and secondary sources.

While these procedural remedies already helped reduce the likelihood of CMV (MacKenzie & Podsakoff, 2012), we complemented them with additional *statistical procedures* to assess the presence of CMV (Podsakoff et al., 2012). First, we validated the moderating variables of structural and relational coordination using data from two independent sources: (i) secondary data from company records and (ii) HQ informants who provided insights into the control context (Nell & Ambos, 2013). Company records enabled us to assess the extent to which a practice was focused on compliance. To test the convergent validity of our structural coordination measure, we correlated it with the same measure rated by HQ informants (Krishnan et al., 2006). The correlation between the two ratings of the structural coordination measure was positive and statistically significant ($r = 0.19$, $p = .033$), suggesting that our measure is supported by data from external sources. Similarly, to test the convergent validity of our relational coordination measure, we correlated it with a measure of normative control (Nell & Ambos, 2013) collected from HQ informants and with an internal company measure of how well practices aligned with core compliance. These correlations were statistically significant and in the expected direction (normative control: $r = 0.18$, $p = .046$; core compliance: $r = -0.24$, $p = .007$), further supporting the robustness of our relational coordination measure.

Second, we conducted Harman's single-factor test, which did not yield a single dominant factor, further mitigating concerns about CMV among the constructs (Podsakoff & Organ, 1986; Simmering et al., 2015). Additionally, we ran six exploratory factor analyses that combined items from the dependent variables (i.e., implementation and internalization) with items from the independent variables (i.e., CSE, structural coordination, and relational coordination), following a similar approach to McGrath (2001). In none of the cases did items measuring implementation and internalization load onto factors corresponding to the independent variables, and vice versa. The number of extracted factors consistently exceeded one based on the eigenvalue criterion. No item from any construct exhibited a high cross-loading (>0.5) on a factor associated with another construct. Moreover, as shown in the correlation table (Table 1), relational coordination was not directly related to practice adoption ($r = 0.04$, $p = .654$), and structural coordination and CSE were not directly associated with each other ($r = 0.09$, $p = .310$), further reducing the likelihood that the independent variables were driven by a common underlying factor explaining their relationship with practice adoption.

Third, prior research suggests that CMV is unlikely to bias results in complex models that include interaction effects (Kotabe et al., 2003; Siemsen et al., 2010). As Siemsen et al. (2010, p. 470) argue, "finding significant interaction effects despite the influence of CMV in the dataset should be taken as strong evidence that an interaction effect exists." Accordingly, given our additional data collection and supplementary analyses, we are reasonably confident that CMV does not pose a major concern for our empirical findings.

TABLE 1 Descriptive statistics.

Variable	Mean	SD	Min	Max	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Controls																
1. Subsidiary size (log)	6.56	0.82	4.64	7.82												
2. Practice influence (log)	2.37	1.84	0.00	6.91	.33***											
3. Practice age (log)	1.77	0.89	0.00	3.09	−.12	−.32***										
4. Age (log)	3.89	0.14	3.43	4.13	−.02	.05	−.24**									
5. Tenure (log)	2.31	0.87	0.00	3.81	.31***	.02	−.03	.41***								
6. Hierarchical level	2.12	0.57	1.00	4.00	.16†	−.07	.21*	−.37***	.05							
Independent variable																
7. Core self-evaluations (CSE)	4.12	0.45	3.00	5.00	.11	−.01	−.18*	.05	.11	−.29***						
Moderators																
8 Structural coordination	4.12	1.46	1.00	7.00	.00	.01	.15	−.06	.03	.00	.09					
9. Relational coordination	2.27	0.89	0.00	4.00	.26**	.18*	−.12	.12	.23**	−.16	.25**	−.06				
10. Practice type ^a	0.53	0.50	0.00	1.00	.15	.19*	.22*	.31	.17*	.26*	−.06	.01	.13			
11. Cultural distance	2.54	2.45	0.00	8.16	−.89***	−.38***	.09	.07	−.22*	−.20*	−.08	.03	−.30***	−.15		
Dependent variables																
12. Implementation	4.70	1.16	1.22	6.56	.02	.02	−.14	.18*	.02	−.30***	.40***	.32***	.01	−.04	.07	
13. Internalization	4.70	1.16	1.57	7.00	−.31***	−.21*	−.04	.04	−.09	−.27**	.32***	.24**	.01	−.08	.37***	.41***

Note: N = 130.
^aLoss-preventing [0] versus value-creating [1].
p* < .05; *p* < .01; ****p* < .001.

In addition to CMV, we took several measures to mitigate potential endogeneity concerns. We employed an instrumental-variable approach to rule out the potential for reverse causality between practice adoption and CSE (Antonakis et al., 2010; Basche, 2008). Specifically, we instrumented CSE using six items from Rammstedt and John (2007)'s "Big Five" personality scale. Rammstedt and John (2007)'s short measure captures the five dimensions of the Big Five personality inventory (i.e., extraversion, conscientiousness, openness to experience, agreeableness, and neuroticism) with two items each, which were self-rated by recipient-unit managers. The Big Five personality taxonomy represents the most widely used framework for understanding individual personality differences (Costa & McCrae, 1992) and is extensively applied in psychology to describe and predict behavior, emotions, and social outcomes across cultures and contexts (Costa & McCrae, 2008; McCrae & Costa, 2003). In addition, to address potential self-selection bias—whereby higher-CSE managers may be more inclined toward contexts characterized by higher levels of relational coordination—we conducted a two-stage Heckman regression analysis (Shaver, 1998) which produced results consistent with those reported in our main analyses.

4.6 | Analytical strategy

Given the nested nature of our data, we used a multilevel model in which the 130 recipient-unit managers (Level 1) are nested within 112 practice-adoption cases (Level 2), which are in turn nested within the six country subsidiaries (Level 3a) and the 24 practices mandated by HQ (Level 3b). Regarding our outcome variables, implementation showed 0% variance at the individual practice-adoption case level (Level 2; ICC[1] = 1.81e-19), 27% variance at the country-subsubsidiary level (Level 3a) (ICC[1] = 0.27), and 2% variance at the higher practice level (Level 3b; ICC[1] = 0.02). Internalization, by contrast, exhibited 63% variance at the individual practice-adoption case level (Level 2; ICC[1] = 0.63), 21% variance at the country-subsubsidiary level (Level 3a) (ICC[1] = 0.21), and 2% variance at the higher practice level (Level 3b; ICC[1] = 0.02), reinforcing the necessity of accounting for the multilevel structure of the data (Aguinis et al., 2011). We conducted the multilevel analyses in Stata 18, using cross-classified models (Luo & Kwok, 2009; Meyers & Beretvas, 2006), which are appropriate when higher-level units are crossed and independent, as in the case of country subsidiaries (Level 3a) and mandated organizational practices (Level 3b). To facilitate coefficient interpretation and mitigate potential multicollinearity (Aiken & West, 1991), we mean-centered the main variables. All variance inflation factor values were below 2.6, under the commonly used cutoff of 10, indicating that multicollinearity is not a serious concern in our analyses (Aiken & West, 1991).

5 | RESULTS

Table 1 presents the descriptive statistics and pairwise correlations for our variables. CSE is positively correlated with both (a) implementation ($r = 0.40$, $p < .001$) and (b) internalization ($r = 0.32$, $p < .001$), providing initial support for our baseline hypothesis. Likewise, structural coordination is positively correlated with (a) implementation ($r = 0.32$, $p < .001$) and (b) internalization ($r = 0.24$, $p = .005$), whereas relational coordination is not correlated with (a) implementation ($r = 0.01$, $p = .951$) or (b) internalization ($r = 0.01$, $p = .908$). We also observe a correlation between CSE and relational coordination ($r = 0.25$, $p = .004$), which may



indicate that higher-CSE managers have stronger social ties to HQ than lower-CSE managers. Practice type and HQ-subsidary culture distance are not related to (a) implementation (practice type: $r = -0.04$, $p = .667$; cultural distance: $r = 0.07$, $p = .908$). Cultural distance is associated with (b) internalization ($r = 0.37$, $p < .001$), whereas practice type is not ($r = -0.08$, $p = .389$).

5.1 | Main analyses¹²

According to our baseline hypothesis, recipient-unit managers' CSE is positively associated with practice adoption, including both implementation and internalization. As shown in Table 2 (Model 2) and Table 3 (Model 2), CSE is positively associated with implementation ($\beta = 0.269$, $SE = 0.204$, $p = .001$) as well as internalization ($\beta = 0.204$, $SE = 0.200$, $p = .008$), providing support for our baseline hypothesis. A one-standard-deviation increase in CSE corresponds to a 0.268 SD increase in implementation and a 0.203 SD increase in internalization. Notably, all our analyses provide consistent empirical support for this baseline hypothesis.

Hypothesis 1 suggests that structural coordination weakens the relationships between recipient-unit managers' CSE and implementation (H1a) and internalization (H1b), with the effect being stronger (weaker) at lower (higher) levels of structural coordination. As shown in Table 2 (Model 3), the interactive effect of structural coordination on the relationship between CSE and implementation is negative (H1a: $\beta = 0.140$, $SE = 0.140$, $p = .061$). As illustrated in Figure 2a, simple-slope analyses indicate that the relationship between CSE and implementation is positive ($\beta = 0.455$, $SE = 0.323$, $p < .001$) at lower levels of structural coordination (-1 SD). In contrast, at higher levels of structural coordination ($+1$ SD), the slope is flatter and non-significant ($\beta = 0.157$, $SE = 0.256$, $p = .114$), supporting the expectation that structural coordination dampens the impact of CSE on implementation. Similarly, as shown in Table 3 (Model 3), the interactive effect of structural coordination on the relationship between CSE and internalization is negative (H1b: $\beta = -0.135$, $SE = 0.139$, $p = .068$). As illustrated in Figure 2b, simple-slope analyses reveal that the relationship between CSE and internalization is similarly positive ($\beta = 0.384$, $SE = 0.323$, $p = .002$) at lower levels of structural coordination (-1 SD). At higher levels of structural coordination ($+1$ SD), however, the slope is again flatter and non-significant ($\beta = 0.098$, $SE = 0.247$, $p = .306$). In sum, these results provide some empirical support for the interactive effect of CSE and structural coordination on both implementation and internalization, in line with our hypotheses. An additional remark made by a higher-CSE recipient-unit managers in the survey's free-text field illustrates this effect: "The main advantage of HQ lies—in my eyes—in coordination of business steering, organization of experience-transfer, and technical synergies."

Hypothesis 2 proposes that relational coordination strengthens the relationship between managers' CSE and implementation (H2a) as well as internalization (H2b), with this effect being weaker at lower levels and stronger at higher levels of relational coordination. As shown in Table 2 (Model 4), the moderating effect of relational coordination on the relationship between CSE and implementation is non-significant ($\beta = 0.129$, $SE = 0.201$, $p = .110$), providing no support for H2a. In contrast, as presented in Table 3 (Model 4), the moderating effect of relational coordination on the relationship between CSE and internalization is positive and significant ($\beta = 0.178$, $SE = 0.188$, $p = .018$). Figure 3 illustrates this moderating effect, where simple-slope analyses reveal that at lower levels of relational coordination (-1 SD), the slope is non-significant ($\beta = 0.034$, $SE = 0.266$, $p = .744$). In contrast, at higher levels of relational coordination ($+1$ SD), the slope is positive and significant ($\beta = 0.339$, $SE = 0.249$, $p < .001$),

TABLE 2 Multilevel regression results with implementation as dependent variable.

DV: Implementation	M1	M2	M3	M4	M5	M6	M7
Controls							
Level 3a: Subsidiary level ($n = 6$)							
Subsidiary size (log)	0.578 (0.566) [0.149]	0.433 (0.430) [0.154]	0.465 (0.406) [0.105]	0.552 (0.471) [0.098]	0.475 (0.445) [0.131]	0.477 (0.461) [0.143]	0.596 (0.471) [0.073]
HQ-subsidiary cultural distance	0.407 (0.139) [0.345]	0.289 (0.106) [0.376]	0.369 (0.100) [0.232]	0.393 (0.115) [0.270]	0.317 (0.108) [0.342]	0.305 (0.109) [0.366]	0.457 (0.112) [0.186]
Level 3b: Practice level ($n = 24$)							
Practice influence (log)	0.099 (0.058) [0.282]	0.046 (0.053) [0.591]	0.067 (0.054) [0.429]	0.028 (0.054) [0.738]	0.036 (0.054) [0.674]	0.035 (0.056) [0.697]	0.040 (0.057) [0.654]
Practice age (log)	-0.015 (0.113) [0.863]	-0.042 (0.107) [0.608]	-0.058 (0.108) [0.486]	-0.039 (0.107) [0.639]	-0.047 (0.109) [0.576]	-0.043 (0.107) [0.603]	-0.054 (0.108) [0.516]
Practice type	-0.033 (0.205) [0.712]	0.006 (0.191) [0.939]	-0.006 (0.192) [0.945]	-0.027 (0.195) [0.752]	0.002 (0.195) [0.983]	0.005 (0.190) [0.948]	-0.031 (0.196) [0.716]
Level 2: Practice adoption level ($n = 112$)							
Level 1: Recipient-unit manager level ($n = 130$)							
Age (log)	0.048 (0.707) [0.563]	0.089 (0.654) [0.245]	0.094 (0.650) [0.217]	0.088 (0.647) [0.250]	0.080 (0.659) [0.300]	0.093 (0.655) [0.229]	0.094 (0.650) [0.219]
Tenure (log)	-0.109 (0.119) [0.219]	-0.099 (0.109) [0.224]	-0.085 (0.109) [0.298]	-0.097 (0.108) [0.230]	-0.087 (0.111) [0.294]	-0.096 (0.109) [0.238]	-0.081 (0.110) [0.323]
Hierarchical level	-0.225 (0.182) [0.012]	-0.206 (0.175) [0.017]	-0.173 (0.177) [0.047]	-0.217 (0.175) [0.012]	-0.210 (0.178) [0.017]	-0.215 (0.179) [0.015]	-0.194 (0.182) [0.031]
Main effects							
Core self-evaluations (CSE) (baseline)		0.269 (0.204) [0.001]	0.306 (0.207) [0.000]	0.251 (0.203) [0.001]	0.212 (0.301) [0.068]	0.260 (0.208) [0.001]	0.273 (0.306) [0.021]
Structural coordination		0.276 (0.059) [0.000]	0.274 (0.058) [0.000]	0.264 (0.059) [0.000]	0.276 (0.059) [0.000]	0.279 (0.059) [0.000]	0.268 (0.059) [0.000]



TABLE 2 (Continued)

DV: Implementation	M1	M2	M3	M4	M5	M6	M7
Relational coordination		−0.127 (0.104) [0.111]	−0.099 (0.105) [0.215]	−0.129 (0.103) [0.103]	−0.144 (0.111) [0.091]	−0.141 (0.111) [0.098]	−0.120 (0.117) [0.181]
Interactionist effects							
CSE × structural coordination (H1a)			−0.140 (0.140) [0.061]				−0.121 (0.142) [0.109]
CSE × relational coordination (H2a)				0.129 (0.201) [0.110]			0.099 (0.214) [0.249]
CSE × practice type (H3a)					0.076 (0.408) [0.518]		0.009 (0.425) [0.943]
CSE × cultural distance (H4a)						−0.039 (0.064) [0.668]	−0.036 (0.063) [0.685]
Variance estimates							
Level 1 residual variance (σ^2)	0.98	0.90	0.88	0.88	0.89	0.89	0.87
Level 2 residual intercept variance (τ_{10})	>0.01	>0.01	>0.01	>0.01	>0.01	>0.01	>0.01
Level 3a residual intercept variance (τ_{a100})	0.52	0.37	0.34	0.41	0.38	0.39	0.39
Level 3b residual intercept variance (τ_{b100})	>0.01	0.04	0.09	0.08	0.11	>0.01	0.10
Model deviance ^a	375.36	349.45	346.03	347.00	349.08	349.27	344.35

Note: n (Level 1) = 130; n (Level 2) = 112; n (Level 3b) = 24; n (Level 3a) = 6. Entries corresponding to the predicting variables are standardized estimations of the random effects, beta (β). Numbers in parentheses () are standard errors, and numbers in brackets [] represent two-sided p values.

^aModel deviance, which is an indicator of model fit, is based on $2 \times \log$ likelihood; as per the smaller-is-better criterion, the model with the smaller value indicates a better overall fit (Burnham & Anderson, 2002). We omitted the null model in this analysis because of space constraints.

suggesting that relational coordination enhances the impact of CSE specifically on internalization. Thus, these results do not support H2a (on implementation) but provide support for H2b (on internalization), indicating that relational coordination strengthens the link between CSE and internalization but not implementation. A higher-CSE manager noted the following in the

TABLE 3 Multilevel regression results with internalization as dependent variable.

DV: Internalization	M1	M2	M3	M4	M5	M6	M7
Controls							
Level 3a: Subsidiary level ($n = 6$)							
Subsidiary size (log)	0.297 (0.474) [0.374]	0.191 (0.386) [0.482]	0.216 (0.361) [0.396]	0.360 (0.452) [0.259]	0.304 (0.420) [0.304]	−0.015 (0.355) [0.952]	0.214 (0.409) [0.458]
HQ-subsidiary cultural distance	0.470 (0.116) [0.189]	0.410 (0.095) [0.159]	0.485 (0.089) [0.076]	0.548 (0.111) [0.108]	0.477 (0.102) [0.128]	0.333 (0.082) [0.185]	0.536 (0.096) [0.069]
Level 3b: Practice level ($n = 24$)							
Practice influence (log)	−0.072 (0.055) [0.406]	−0.109 (0.053) [0.196]	−0.082 (0.053) [0.331]	−0.134 (0.053) [0.110]	−0.136 (0.053) [0.107]	−0.052 (0.055) [0.548]	−0.070 (0.055) [0.418]
Practice age (log)	0.008 (0.139) [0.940]	−0.027 (0.129) [0.783]	−0.035 (0.126) [0.714]	−0.016 (0.128) [0.869]	−0.029 (0.124) [0.760]	−0.025 (0.125) [0.794]	−0.023 (0.121) [0.803]
Practice type	0.010 (0.254) [0.924]	0.016 (0.232) [0.872]	0.014 (0.228) [0.886]	−0.022 (0.234) [0.831]	0.015 (0.224) [0.878]	0.021 (0.226) [0.828]	−0.008 (0.222) [0.936]
Level 2: Practice adoption level ($n = 112$)							
Level 1: Recipient-unit manager level ($n = 130$)							
Age (log)	−0.046 (0.699) [0.578]	−0.017 (0.674) [0.833]	−0.005 (0.669) [0.951]	−0.015 (0.657) [0.843]	−0.035 (0.665) [0.653]	−0.022 (0.669) [0.777]	−0.026 (0.649) [0.734]
Tenure (log)	0.025 (0.123) [0.783]	0.028 (0.116) [0.745]	0.029 (0.115) [0.736]	0.029 (0.114) [0.732]	0.052 (0.115) [0.540]	0.012 (0.115) [0.892]	0.030 (0.112) [0.716]
Hierarchical level	−0.191 (0.179) [0.029]	−0.154 (0.177) [0.076]	−0.117 (0.178) [0.181]	−0.172 (0.174) [0.044]	−0.172 (0.176) [0.047]	−0.111 (0.177) [0.203]	−0.112 (0.177) [0.195]
Main effects							
Core self-evaluations (CSE) (baseline)		0.204 (0.200) [0.008]	0.241 (0.204) [0.002]	0.186 (0.196) [0.014]	0.052 (0.294) [0.645]	0.242 (0.202) [0.002]	0.136 (0.296) [0.234]
Structural coordination		0.200 (0.058) [0.006]	0.198 (0.057) [0.006]	0.179 (0.057) [0.012]	0.198 (0.057) [0.006]	0.190 (0.057) [0.008]	0.170 (0.056) [0.015]



TABLE 3 (Continued)

DV: Internalization	M1	M2	M3	M4	M5	M6	M7
Relational coordination		−0.004 (0.107) [0.962]	0.021 (0.107) [0.800]	−0.026 (0.106) [0.749]	−0.051 (0.111) [0.548]	0.061 (0.112) [0.473]	0.024 (0.113) [0.778]
Interactionist effects							
CSE × structural coordination (H1b)			−0.135 (0.139) [0.068]				−0.095 (0.136) [0.188]
CSE × relational coordination (H2b)				0.178 (0.188) [0.018]			0.126 (0.194) [0.106]
CSE × practice type (H3b)					0.210 (0.397) [0.067]		0.160 (0.404) [0.168]
CSE × cultural distance (H4b)						0.179 (0.062) [0.040]	0.179 (0.060) [0.034]
Variance estimates							
Level 1 residual variance (σ^2)	0.68	0.72	0.70	0.70	0.73	0.69	0.67
Level 2 residual intercept variance (τ_{10})	0.59	0.47	0.50	0.44	0.43	0.51	0.47
Level 3a residual intercept variance (τ_{a100})	0.41	0.30	0.29	0.39	0.36	0.28	0.27
Level 3b residual intercept variance (τ_{b100})	0.36	0.32	0.28	0.31	0.28	0.25	0.30
Model deviance ^a	361.88	347.22	344.03	342.06	344.06	343.44	334.66

Note: n (Level 1) = 130; n (Level 2) = 112; n (Level 3b) = 24; n (Level 3a) = 6. Entries corresponding to the predicting variables are standardized estimations of the random effects, beta (β). Numbers in parenthesis () are standard errors, and numbers in brackets [] represent two-sided p values.

^aModel deviance, which is an indicator of model fit, is based on $2 \times \log$ likelihood; as per the smaller-is-better criterion, the model with the smaller value indicates a better overall fit (Burnham & Anderson, 2002). We omitted the null model in this analysis because of space constraints.

free-text field of the survey: “One of the results of the stepwise collaborating—year by year—within the different subsidiary units is that our employees feel very close to the [MNC] and the top management.”

Hypothesis 3 suggests that practice type moderates the relationship between managers' CSE and implementation (H3a) and internalization (H3b), with this effect being stronger for more

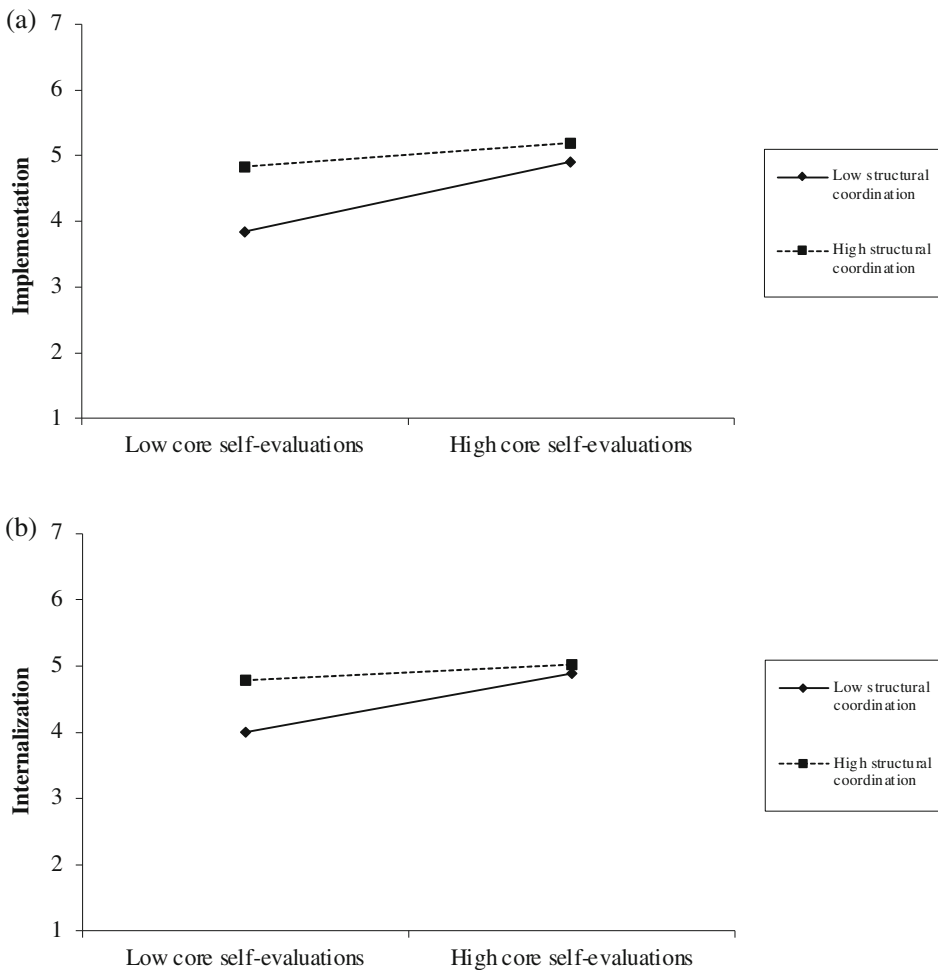


FIGURE 2 (a) Interaction between structural coordination and core self-evaluations (CSE) on implementation. (b) Interaction between structural coordination and core self-evaluations (CSE) on internalization.

complex, value-creating practices and weaker for more compliance-related, loss-preventing practices. As shown in Table 2 (Model 5), the moderating effect of practice type on the relationship between CSE and implementation is non-significant ($\beta = -0.076$, $SE = 0.408$, $p = .518$). In contrast, as presented in Table 3 (Model 5), the moderating effect of practice type on the relationship between CSE and internalization is positive ($\beta = -0.178$, $SE = 0.062$, $p = .041$). As illustrated in Figure 4, simple-slope analyses show that for compliance-related practices (-1 SD), the slope is positive but non-significant ($\beta = 0.052$, $SE = 0.294$, $p = .645$). For value-creating practices ($+1$ SD), the slope is positive and significant ($\beta = 0.203$, $SE = 0.200$, $p = .008$), suggesting that the impact of CSE on internalization is stronger for value-creating practices. In sum, while the results provide no empirical support for H3a (on implementation), they provide empirical support for H3b (on internalization)—that is, the more open-ended, value-creating nature of practices enhances CSE's influence on internalization but not on implementation.

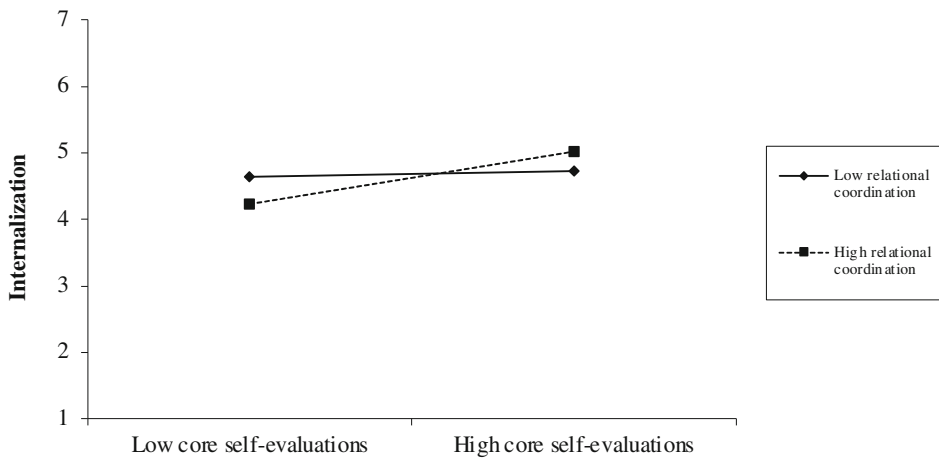


FIGURE 3 Interaction between relational coordination and core self-evaluations (CSE) on internalization.

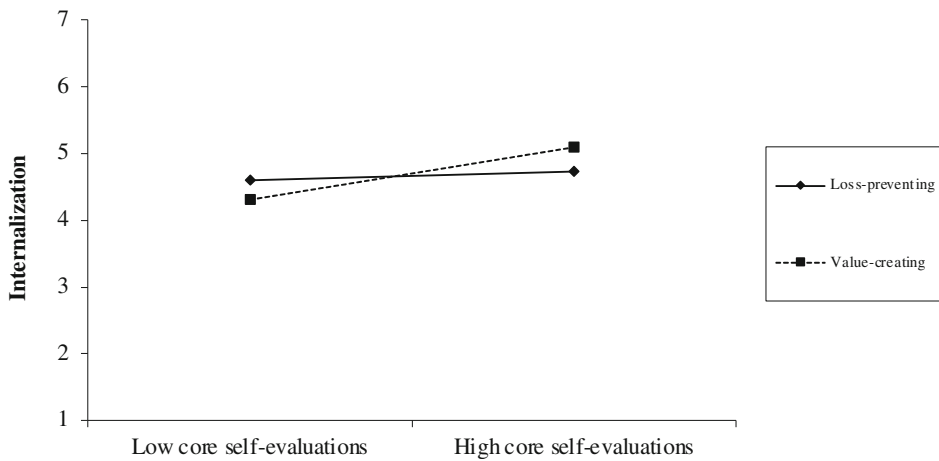


FIGURE 4 Interaction between practice type and core self-evaluations (CSE) on internalization.

Finally, [Hypothesis 4](#) proposes that cultural distance strengthens the relationship between recipient-unit managers' CSE and implementation ([H4a](#)) as well as internalization ([H4b](#)), with the effect being weaker at lower levels of cultural distance and stronger at higher levels. As shown in Table 2 (Model 6), the moderating effect of cultural distance on the relationship between CSE and implementation is non-significant ($\beta = -0.039$, $SE = 0.064$, $p = .668$), providing no support for [H4a](#). In contrast, as presented in Table 3 (Model 6), the moderating effect of cultural distance on the relationship between CSE and internalization is positive and significant ($\beta = -0.179$, $SE = 0.062$, $p = .040$). As illustrated in Figure 5, simple-slope analyses show that the slope is positive but non-significant ($\beta = 0.066$, $SE = 0.263$, $p = .514$) at lower levels of cultural distance (-1 SD). In contrast, at higher levels of cultural distance ($+1$ SD), the slope is positive ($\beta = 0.418$, $SE = 0.333$, $p = .001$), suggesting that CSE has a stronger impact on internalization in contexts characterized by greater cultural distance. Overall, these findings do not support [H4a](#) (on implementation) but support [H4b](#) (on internalization), indicating that cultural distance enhances the relationship between CSE and internalization but not implementation.

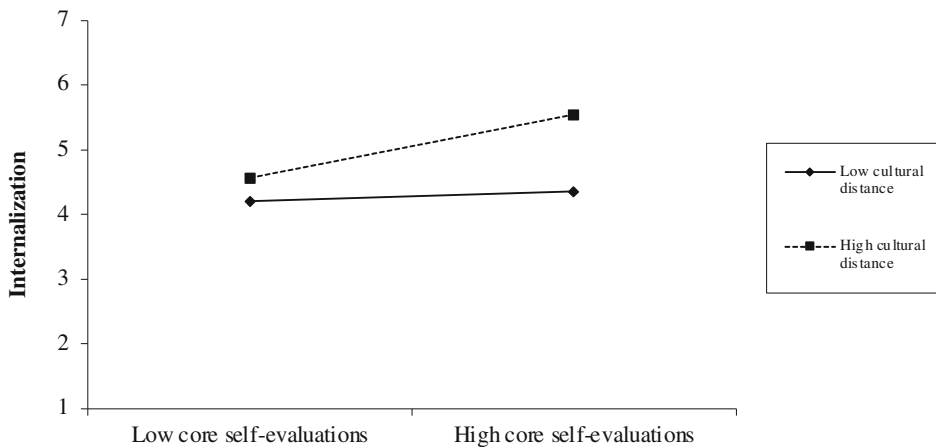


FIGURE 5 Interaction between HQ-subsidiary cultural distance and core self-evaluations (CSE) on internalization.

As one manager noted in the additional remarks in the survey: “Subsidiaries have specific legal, cultural, and economic environments that need to be fully managed locally. At the corporate level, however, strategic initiatives should be further promoted to develop synergies and innovation in the most relevant processes to enhance value added.”

5.2 | Post-hoc analysis

We also tested our arguments for our baseline hypothesis on the relationship between CSE and practice adoption by further differentiating between different types of adoption: *active*, *minimal*, *assent*, and *ceremonial adoption* (Kostova & Roth, 2002). These four forms arise from four different combinations of degrees of implementation and internalization. We calculated these combinations using a mean split. Active adoption (implementation: high; internalization: high) occurs when a subsidiary fully accepts and implements an organizational practice. Assent adoption (implementation: high; internalization: low) occurs when the subsidiary agrees to adopt the practice and may formally implement it; however, the practice is not deeply internalized. Ceremonial adoption (implementation: low; internalization: high) occurs when practices are adopted in form but not in substance. In this case, the practice is implemented to appear compliant with the parent firm's directives but is not substantially integrated into the subsidiary's operations. Finally, minimal adoption (implementation: low; internalization: low) involves the subsidiary doing the bare minimum to acknowledge the practice, often avoiding negative repercussions, without any real commitment to its implementation or integration.

As shown in the logistic regression in Appendix C (Table C1), managers with higher levels of CSE are more likely to actively adopt practices ($\beta = 0.481$, $p < .001$). At the same time, these managers are less likely to exhibit patterns of minimal ($\beta = -0.237$, $p = .006$), assent ($\beta = -0.157$, $p = .070$), or ceremonial adoption ($\beta = -0.158$, $p = .059$). These findings are consistent with our findings, indicating that recipient-unit managers with higher CSE tend to take a more active stance toward practice adoption.



6 | DISCUSSION

In this paper, we put forward a multi-level interactionist model of trait activation in the context of practice adoption by subsidiaries in MNCs, demonstrating that recipient-unit managers' personality traits interact with multiple contextual cues to shape the adoption of HQ-mandated practices in recipient units. Our results highlight that both recipient-unit managers' dispositional tendencies and situational conditions jointly influence practice adoption outcomes.

6.1 | Contributions to research and theory development

Overall, our paper contributes to the *relational lens* of practice transfers in MNCs. The relational lens focuses on the “headquarters-subsidiary dyad, groups or teams, individual employees” to enable the “identification of critical elements in the relationship between the source and the recipient affecting transfer,” but has largely neglected the “heterogeneity and diversity of individuals” and paid insufficient attention to “how the organization matters in shaping observed processes and activities” (see Fortwengel et al., 2023, pp. 9–10). Our study addresses these criticisms of the relational lens and highlights the importance of the interplay between individual-level heterogeneity and contextual factors in shaping knowledge transfer in MNCs.

Specifically, our paper makes three important contributions. *First*, our study shows that competent managers in the subsidiaries' recipient units matter for effective knowledge sharing under varying contextual conditions in MNCs. We extend the limited prior research on the influence of individual-level characteristics of subsidiary managers by demonstrating that their personality traits also shape practice adoption. This finding underscores that MNCs of all types require competent and confident managers who can take charge and independently lead strategic initiatives, echoing the classic work by Ghoshal and Bartlett on the “individualized corporation” (1999), which emphasized leveraging individual employees' unique talents and skills as a key source of competitive advantage in MNCs. Our study takes this argument one step further by showing that various situational features play an important role in facilitating or constraining the effects of these competent managers. This reinforces the idea that adoption is not only about enacting a practice but also about embedding it in the subsidiary's operations and culture—a process shaped by broader contextual forces. This insight underscores the need to consider both managers' personality characteristics and the specific subsidiary context to fully capture how HQ-driven initiatives are adopted in international subsidiaries. Our study highlights the importance of their interactive effects in shaping organizational practice adoption in recipient units.

Our findings also call for further research into recipient-unit managers' *personality traits* and on *situationist (interactionist) explanations* of when, why, and how those traits matter. While our study focused on CSE as a holistic personality trait, future research could explore other personality traits of recipient-unit managers, including openness, narcissism, need for control, fear of failure, or overconfidence. For example, in a study of knowledge sharing in multi-business firms, Liu et al. (2022) found that managers' narcissism was negatively associated with business units' receptivity to knowledge transfer from peer units, suggesting that narcissistic managers may be less inclined to adopt practices that challenge their autonomy, whereas managers high in openness may engage in greater adaptation and customization of

practices. In a conceptual study, Santangelo and Phene (2022) argued that heterogeneity in individuals' creativity influences subsidiary unit-level knowledge transfer practices in MNCs. Such research into psychological microfoundations holds substantial promise for advancing our understanding of how managers' personality traits influence knowledge sharing in organizations (see also Foss & Pedersen, 2019; Santangelo et al., 2025).

Regarding situationist explanations, our paper shows that MNCs provide a particularly rich context for studying them, as individual actors within MNCs are embedded in diverse situational contexts that shape the influence of their personality traits in different ways (see also Santangelo et al., 2025). We draw on trait-activation theory (Tett & Burnett, 2003; Tett & Guterman, 2000), which emphasizes traits and "specific interactionism" in shaping "trait-relevant" situations (Judge and Zapata, 2015, p. 1152). Given our interest in and focus on CSE as a starting point (and as our baseline hypothesis), trait-activation theory was suited to the purpose of our paper.

Future research could also draw on situation-strength theory (e.g., Mullins & Cummings, 1999), which focuses on situational (contextual) features and "general interactionism," applying trait activation-theory to various traits. Meyer, Dalal, and Hermida (2010, p. 122) define situational strength as the "implicit or explicit cues provided by external entities regarding the desirability of potential behaviors." The central idea of situational-strength theory is that, in some situations, individuals experience such strong external pressure to behave in predetermined or specific ways that the relationship between personality traits and behavior weakens or disappears entirely. In this sense, situational-strength theory can be viewed as a mirror image of trait-activation theory. Instead of focusing on triggers that activate different personality traits, it emphasizes situational factors that disable the activation of a personality trait. While trait activation focuses on how personality traits are activated, situational-strength theory explains how situational context influences the activation (or deactivation) of a personality trait. In prior research, formal and informal characteristics of organizations have been proposed as key factors that determine whether a situation is strong or weak (Forehand & Gilmer, 1964; Meyer et al., 2009; Meyer et al., 2010). Accordingly, structural coordination can be seen as creating a strong situational context in which there is little room for trait activation, whereas relational coordination reflects a weaker situational context in which individual characteristics matter more. This was also evident in our empirical results.

Second, our study deepens the understanding of practice-adoption behavior and outcomes in MNCs. Whereas prior studies have primarily focused on the implementation of practices in MNCs (e.g., Ahlvik et al., 2016; Durand & Jacqueminet, 2015; Jacqueminet & Durand, 2020), our study underlines subtle, albeit important, differences in the factors that influence practice implementation and internalization as distinct degrees of practice adoption (Kostova, 1999; Kostova & Roth, 2002). Although the baseline effect of CSE was similar for both implementation and internalization, the interactionist effects influenced the two dimensions differently. Except for structural coordination, which weakened the relationship between CSE and both implementation and internalization, the subsidiary-, practice-, and country-level moderators enhanced CSE's effects only on internalization, not on implementation. Thus, high-CSE managers engage in greater internalization in the presence of stronger relational coordination, value-creating practices, and greater cultural distance than lower-CSE managers. Overall, this pattern suggests that these contextual conditions matter less for formal implementation but are highly consequential for the true internalization of practices within subsidiaries. Our study therefore offers a more nuanced, multi-level understanding of practice-adoption processes and outcomes, consistent with Kostova's (1999) original insight that it is important to separate implementation from true internalization when examining practice adoption in MNCs.



These findings advance our understanding of the two distinct outcome dimensions of practice adoption (Fortwengel et al., 2023; Kostova, 1999; Kostova & Roth, 2002). This discrepancy suggests a future research agenda that treats these moderators not as fixed attributes of the context but as potential levers whose design, sequencing, and evolution may differentially channel the influence of managerial traits into practice implementation and internalization. Future studies could also examine whether other traits (e.g., Big Five personality traits, regulatory focus, or temporal focus) exhibit similar trait-activation patterns, and whether certain person–situation configurations are more conducive to internalization than others. Future research could further explore when different configurations of situational cues lead to high implementation but low internalization (ceremonial adoption) versus truly active practice adoption, and how MNCs can facilitate deeper practice adoption in subsidiaries.

Third, our study contributes to research on the micro-level complexities of knowledge transfer in MNCs. It aligns with the ongoing shift in organizational practice-adoption research from macro- and meso-level analyses toward a stronger focus on micro-level dynamics. This shift has led to studies examining the process dynamics of practice adoption (Yu & Zaheer, 2010), micropolitics (Burbach & Royle, 2013), emotions (Andrews & Chompusri, 2013), tensions and ongoing struggles (Bjerregaard et al., 2016), attention (Durand & Jacqueminet, 2015), and individuals' social positions, career opportunities (Bjerregaard & Klitmøller, 2016), external networks (e.g., Fortwengel, 2017; Fortwengel & Jackson, 2016), and international experience (Shin et al., 2016). By offering an enhanced understanding of the multi-level interactionist determinants of practice adoption in MNCs (the interplay between individuals and context), our research extends this line of inquiry into the complex microfoundations of MNCs (Foss & Pedersen, 2019; Santangelo et al., 2025).

Moreover, our paper highlights that even in a more traditional MNC where HQ mandates practices to its subsidiaries, practice adoption is ultimately enacted by identifiable recipient-unit managers embedded in specific local contexts. Practices of greater strategic importance typically provide higher-CSE managers with greater discretion, reinforcing proactive internalization, whereas practices of seemingly lower strategic importance, such as compliance-driven practices, constrain individuals' influence in ways like structural coordination. Taken together, these results suggest that the MNC does not function through HQ mandates alone; it also depends on how recipient-unit managers interpret, translate, and champion these mandates—very much in the spirit of Ghoshal and Bartlett's (1999) notion of an “individualized corporation,” in which leveraging the distinct dispositions and capabilities of managers is central to making complex, distributed organizations work.

Future research could also examine less traditional MNC contexts. We believe that even in the most “horizontal,” “differentiated network” forms of transnational MNEs, HQs continue to play an important role as a repository and disseminator of organizational knowledge—regardless of where this knowledge comes from—and thus it is completely realistic to assume such a coordination role for HQs. However, scholars could also explore less traditional MNC contexts, including “born global” MNCs (Braunerhjelm & Halldin, 2019) and MNCs with geographically dispersed and even virtual HQs (Birkinshaw et al., 2006; Buckley & Casson, 2020; Desai, 2009; Kunisch et al., 2019; Prahalad & Bhattacharyya, 2008).

6.2 | Limitations and future research

Like other empirical research, our study has limitations that offer opportunities for future research. First, an important limitation concerns the *generalizability* of our findings, as we

tested our theoretical predictions about practice adoption within one firm. While we deliberately chose this single-firm research design to capture the complex and nested HQ-subsidary relationships in the context of HQ-mandated practice adoptions and to obtain sensitive personality assessments from recipient-unit managers, which has constrained prior research in the area, future research is needed to validate and extend our findings in terms of (a) a broader range of knowledge transfers in MNCs beyond HQ-mandated practice adoption, (b) other types of MNCs, and (c) other country contexts. Regarding other forms of knowledge transfer within MNCs (a), our theoretical model is not limited or specific to hierarchical dyads as in the HQ-subsidary case, and therefore it would be valid in other setups of practice transfer. Nonetheless, future research could examine horizontal knowledge transfers between subsidiaries, the transfer of externally sourced knowledge, and reverse knowledge flows from subsidiaries to HQ. In terms of other types of MNCs (b), future research could explore whether our findings hold in more decentralized, network-based, or regionally autonomous MNC structures. With respect to country contexts (c), we studied an MNC operating in six countries with a single HQ, which limits the cultural and institutional variation in our study. Expanding this research to more geographically dispersed MNCs, particularly those operating across more diverse regulatory and cultural environments, could yield further insights into how trait-activation mechanisms function in different institutional contexts.

A second limitation of our study concerns our reliance on a cross-sectional, survey-based research design. Although we implemented several procedural and statistical remedies to mitigate common method variance and endogeneity concerns—including separating the surveys for personality and context measures, assuring anonymity, using multiple data sources where possible, and conducting robustness checks—our core measures of CSE and practice adoption still rely on self-reports collected at a single point in time. Future research could build on our findings by complementing survey evidence with richer process data, such as longitudinal case studies, ethnographic work, digital trace data on practice use, and field experiments that manipulate coordination mechanisms or practice framings. Such designs would allow scholars to observe directly how recipient-unit managers in distant subsidiaries interpret and enact HQ mandates over time and how implementation and internalization co-evolve, thereby deepening and refining our findings.

A third limitation is that our study does not disentangle whether recipient-unit managers consciously perceive the contextual conditions examined here or whether these conditions influence behavior through more intuitive or preconscious processes. While trait-activation theory allows for both possibilities (Tett & Burnett, 2003; Tett & Guterman, 2000), our empirical design does not permit direct tests of the level of awareness through which contextual cues operate. Future research could address this limitation by explicitly distinguishing between consciously perceived and less consciously processed situational cues, for example, by combining objective indicators with fine-grained perceptual measures of the same concepts.

Fourth, future research could further deepen the processual understanding of practice adoption. While we examined whether recipient-unit managers implement and internalize practices, we did not investigate the extent to which they modify practices to better fit local conditions or develop complementary practices alongside those mandated by the HQ. Nor did we examine the history of practice adoption—whether a subsidiary or individual manager had prior experience adopting HQ-mandated practices—which may influence their capability to adopt new ones effectively. Future studies could adopt a processual and longitudinal perspective, tracking how practices evolve over time and whether repeated exposure to practice adoption enhances learning effects at both the subsidiary and individual levels.



Finally, while our theory emphasizes the generally positive influence of higher CSE-managers for practice adoption, strong self-confidence and perceived efficacy may, under certain conditions, make recipient-unit managers challenge or even resist HQ-mandated practices. Highly self-assured managers may oppose practices they perceive as misaligned with local institutional, economic, or strategic conditions, or they may selectively reinterpret mandates in ways that diverge from HQ intentions. Future research could explore when higher CSE personality traits facilitate constructive championing versus active resistance, particularly in contexts characterized by greater subsidiary autonomy or contested HQ authority.

7 | CONCLUSION

In this paper, we introduced a multi-level interactionist model for recipient-unit managers' personality-trait activation in the context of HQ-mandated practices. Our findings show that while recipient-unit managers' CSE is positively associated with practice adoption, its effect is shaped by situational cues emanating from the context in which practice transfer takes place (coordination, practice characteristics, and cultural distance). Moreover, our findings suggest subtle, albeit important differences between practice implementation and internalization, with the latter being more sensitive to the context in which managers' CSE adopt practices. By highlighting the interplay between managers' personality traits and situational conditions, our study demonstrates that practice adoption in MNCs is not only a structural or institutional process but is also shaped by the agency of recipient-unit managers in their specific contexts. Finally, although our study focuses on a specific form of knowledge sharing in MNCs, it also illustrates the broader potential of person-situation and multi-level models for advancing our understanding of other complex and nested IB phenomena in which different corporate, national, and competitive contexts potentially shape the activation of individuals' personality traits.

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DATA AVAILABILITY STATEMENT

The data are not publicly available due to privacy restrictions. The data for this project are confidential and must be obtained with Data Use Agreements from the case company. Please direct any further request to the corresponding author.

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ENDNOTES

- ¹ For example, Gupta and Govindarajan (2000) argued, "the primary reason why MNCs exist is because of their ability to transfer and exploit knowledge more effectively and efficiently in the intra-corporate context than through external market mechanisms. This "internalization of intangible assets" argument, originally

advanced by Hymer (1960), has been subjected to numerous confirmatory empirical tests and is now widely accepted as the “received theory” on why MNCs exist (Buckley and Casson 1976; Caves 1971, 1982; Ghoshal 1987; Kindleberger 1969; Porter 1986; Teece 1981)” (p. 473).

- ² We understand “cues” as the signals that trigger the contextual effects (Lindenberg, 2018).
- ³ We acknowledge that MNCs are “complex multi-dimensional entities” (Gupta & Govindarajan, 2000, p. 474), and that knowledge and practice sharing can therefore take multiple forms beyond the traditional HQ-subsidiary transfer. These include horizontal knowledge flows between subsidiaries, the transfer of external sources of knowledge, and reverse knowledge flows from subsidiaries to HQ (Fortwengel et al., 2023; Gupta & Govindarajan, 2000; Yang et al., 2008). While our paper cannot examine all such pathways, we begin by focusing on the more “traditional,” and perhaps still most common, HQ-subsidiary knowledge transfers. Accordingly, we examine HQ-mandated practice adoption as a theoretically meaningful and empirically prevalent setting for studying how individual personality traits interact with situational cues.
- ⁴ Thus, in our study, the recipient units are not legal “subsidiaries” but subunits of subsidiaries. We use the term “subsidiary” when referring to the subsidiary as a whole and, more generally, the term “recipient unit” when referring to the actual recipient units (i.e., subsidiary subunits). We use “recipient-unit manager” or “manager” when referring to the individuals in these subsidiary subunits who are charged with practice adoption.
- ⁵ Although our focus is on the recipient, it is reasonable to assume that HQ-mandated practices have typically been tested and are believed to be beneficial for the company.
- ⁶ We thank an anonymous reviewer for highlighting the importance of clarifying this point.
- ⁷ This dimension has also been described as neuroticism, or as reflecting an individual’s insecurity, guilt, timidity, general anxiety, self-doubt, and fear of novel situations (Judge et al., 2003). Emotional stability and neuroticism represent opposite poles of the same construct, capturing individual differences in emotional adjustment (McCrae & Costa, 2003). Low scores on neuroticism indicate emotional stability and calmness (Costa & McCrae, 1992). Judge et al. (2003) refer to this facet of the CSE construct as neuroticism in their original scale-development paper. However, we use the more positively framed term *emotional stability* to emphasize the positive pole of this concept, consistent with the other (positive) CSE subdimensions.
- ⁸ CSE is “a broad latent trait” composed of “four specific traits” (Simsek et al., 2010, p. 111). It cannot be broken down into subcomponents because a higher (lower) levels of CSE tend to be associated with high (low) levels of all four specific traits. The specific traits are also closely correlated. For example, self-esteem correlates with self-efficacy, self-efficacy correlates with locus of control, and all three correlate with emotional stability. In other words, CSE is “a broad personality trait [that] captures the common elements embedded in self-esteem, generalized self-efficacy, emotional adjustment, and locus of control” (Simsek et al., 2010, p. 111).
- ⁹ For example, Kostova and Roth (2002) already noted: “we introduce the concept *institutional profile*, defined as the issue-specific set of regulatory, cognitive, and normative institutions in a given country, which Scott (1995) called pillars. The issue in this study was quality management. Thus, we looked at regulatory, cognitive, and normative institutions related to quality management. [...] We note that our anchoring of the institutional profile dimensions in a specific issue (quality management) is consistent with previous work suggesting that [...] are issue-specific (e.g., Abelson & Black 1986; Rosenzweig & Singh 1991; Walsh 1995)” (p. 217).
- ¹⁰ For 24 practice-adoption cases in the original sample, two subsidiary managers were responsible for practice adoption, and in one case, three managers shared this responsibility. For 23 of the 24 cases with two responsible subsidiary managers, our final sample included responses from both managers, whereas in one case, neither manager responded. In the case with three responsible managers, we received two responses. This resulted in a dataset of 130 subsidiary managers nested within 112 practice-adoption cases, including 18 cases in which two subsidiary managers responded for the same practice-adoption case.
- ¹¹ We collected demographic data from archival records of the nonresponding managers to perform a nonresponse analysis. We found no significant differences between included and excluded managers in terms of their age ($t = 1.29$, $p = .206$), educational level ($t = 1.24$, $p = .227$), and hierarchical position ($t = 1.23$, $p = .220$). However, we did find that the nonresponding managers had slightly higher organizational tenure



than responding managers ($t = 2.45$, $p = .020$). Nonetheless, tenure was not significantly correlated with any of our study variables. Thus, we concluded that there was little indication of nonresponse bias in our data.

- ¹² In addition to the analyses reported here, we conducted several tests to examine the robustness of our results. For instance, we considered several additional and alternative variables, such as other distance measures (Beugelsdijk et al., 2018) to further control for differences in the institutional environment. We also introduced several measures to account for potential differences in the nature of the practices (i.e., front-end- versus back-end-focused practices). Moreover, we considered the level of trust between HQ and recipient-unit managers. The results of these robustness checks were also consistent with the results reported in Tables 2 and 3.

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APPENDIX A

TABLE A1 Exemplary research on organizational practices and organizational practice adoption.

Study	Outlet	Topic	Practice type	Source	Adoption dim.	Focus	Level	Method
Zaheer (1995)	AMJ	Overcoming liability of foreignness by importing home-country practices or copying the practices of local firms	Organizational practices	Internal (i.e., within MNC) and external practices (i.e., across firms)	Adoption	Antecedents	Macro Meso	Empirical: a paired sample of 24 foreign exchange trading rooms of Western and Japanese banks
Tayeb (1998)	IJHRM	Transfer of HRM practices across cultures	HRM practices	internal	transfer	Antecedents	Macro:cultures Meso	Empirical: case study of Scottish subsidiary of an American MNC
Kostova (1999)	AMR	Transnational transfer of strategic organizational practices: A contextual perspective	Strategic organizational practices	internal	Implementation and internalization	Antecedents Outcomes	Macro: country Meso: organization Micro: individual	Theoretical/conceptual Cross-disciplinary approach
Kostova and Roth (2002)	AMJ	Adoption of an organizational practice by subsidiaries of MNCs: Institutional and relational effects	Quality management practice	Internal rolled out from HQ	Implementation and internalization	Antecedents	Macro: institutional profile of host country Meso: relational context within MNC	Empirical: US MNC and subsidiaries; survey data from managers and employees in 104 subs. locations in 10 countries
Minbaeva et al. (2003)	JIBS	MNC knowledge transfer, subsidiary absorptive capacity, and HRM	HRM practices	Internal	transfer	Antecedents	Meso: training; competence/perf. appraisal; merit based promotion; perf. based comp.; internal comm.	Empirical: 169 subsidiaries of MNCs operating in the USA, Russia, and Finland
Jensen and Szulanski (2004)	JIBS	Stickiness and the adaptation of organizational practices in cross-border knowledge transfers	technical and administrative practices	Internal	Stickiness; cross-border knowledge transfers	Antecedents	Macro: institutional distance Micro: practice adaptation	Empirical: 122 internal transfers of best practice



TABLE A1 (Continued)

Study	Outlet	Topic	Practice type	Source	Adoption dim.	Focus	Level	Method
Lunnan et al. (2005)	AME	Global transfer of management practices across nations and MNC subcultures	Management practices	External and internal	Implementation	Antecedents Process	Macro: national culture Meso: organizational capabilities and systems	Empirical: case of a Norwegian MNC
Szulanski and Jensen (2006)	SMJ	Presumptive adaptation and the effectiveness of knowledge transfer	Organizational practice	Internal	Implementation	Antecedents Process	Micro: practice adaptation	Empirical: an in-depth field investigation
Björkman et al. (2007)	JIBS	Institutional theory and MNC subsidiary HRM practices	HRM practices	Internal	Selection	Antecedents	Meso: status of subsidiary HR unit and degree of involvement in other knowledge transfers	Empirical: 158 subsidiaries of US, Japanese and European MNCs operating in the United States, Russia and Finland
Björkman and Lervik (2007)	HRMJ	Transferring HR practices within multinational corporations	HRM practices	Internal: planned transfers of practices by the HQ to subsidiaries	implementation, internalization and integration	Antecedents	Meso	Theoretical/conceptual
Jensen and Szulanski (2007)	MS	Template Use and the Effectiveness of Knowledge Transfer	Knowledge	Internal	Adoption	Processes: the effect of template use through	Micro: templates	Empirical: quasi experiment; 8-year, field investigation of 1 firm; 3 sequential transfer efforts in 15 western European countries
Björkman et al. (2008)	IBR	Changes in institutional context and MNC operations in China: Subsidiary HRM practices in 1996 versus 2006	HRM practices	External	Diffusion	Practice characteristics	Macro: changes in institutional context	Empirical: 57 European-owned units in 1996 and 87 European-owned subsidiaries mostly in 2005 in China

(Continues)

TABLE A1 (Continued)

Study	Outlet	Topic	Practice type	Source	Adoption dim.	Focus	Level	Method
Yu and Zaheer (2010)	AMJ	Building a process model of local adaptation of practices: A study of Six Sigma implementation in Korean and US firms	Management practice Six Sigma	External	Implementation	Processes: adoption and adaptation of practices	Macro Meso	Empirical: inductive methods and case studies of Six Sigma implementation in Korean and US firms.
Ansari et al. (2010)	AMR	Made to fit: How practices vary as they diffuse	Corporate practices	External	Diffusion/implementation/adaptation	To be done	Macro: population-level mechanisms of diffusion Meso: organization-level mechanisms of implementation	Theoretical/conceptual
Collings and Dick (2011)	IJHRM	The relationship between ceremonial adoption of popular management practices and the motivation for practice adoption and diffusion	HR practices	Internal	Implementation and internalization (ceremonial adoption)	Antecedents	Meso: HQ motivation	Empirical: case study in an American MNC
Cheng and Yu (2012)	MIR	Adoption of practices by subsidiaries and institutional interaction within internationalized SMEs	Managerial and production practices	Internal practices	Practice adoption	Antecedents	Macro: Parent home-country and subsidiary host-country institutions Micro: parent and subsidiary managers' assessments	Empirical: a survey of 149 foreign subsidiaries of Taiwanese SMEs
Andrews and Chompusri (2013)	MIR	Understanding organizational practice adoption at the Thai subsidiary corporation	E-mail, performance appraisal and empowerment	Internal: transferred and mandated by HQ	Adoption	Processes	Macro: cultural norms and values (indigenous cultural concept of krong jai)	Empirical: data from interviews, observation and company information
Burbach and Royle (2013)	EJIM	Levels of e-HRM adoption in subsidiaries	Electronic HRM (e-HRM)	Internal		Antecedents/processes	Meso/micro: power and politics	Empirical: 25 in-depth interviews



TABLE A1 (Continued)

Study	Outlet	Topic	Practice type	Source	Adoption dim.	Focus	Level	Method
		of a US multinational corporation: the mediating role of power, politics and institutions			Implementation: levels of e-HRM utilization			with 15 key stakeholders in the German and Irish subsidiaries of a US MNC
Canato et al. (2013)	AMJ	Coerced practice implementation in cases of low cultural fit	Management practice Six Sigma; coerced practice	External	Implementation	Processes	Meso: cultural fit between the practice and an organization's culture	Empirical: longitudinal case study at 3 M
Gondo and Amis (2013)	AMR	Variations in practice adoption: The roles of conscious reflection and discourse	Not specified	Not specified	Acceptance and implementation	Process	Micro: Conscious reflection and discourse	Theoretical/conceptual
Surroca et al. (2013)	AMJ	Stakeholder pressure on MNCs and the transfer of socially irresponsible practices to subsidiaries	Socially irresponsible practices	Internal: from HQ to overseas subsidiaries	Transfer	Antecedents	Macro: stakeholder pressure in MNC's home country Meso: HQ control through appointment of subsidiary's board members	Empirical: panel data on 269 subsidiaries in 27 countries belonging to 110 MNCs from 22 countries
Ansari et al. (2014)	Ost	How are practices made to vary? Managing practice adaptation in an MNC	A specialized quality management practice	External	Diffusion	Process: tension between local adaptation of a practice and retaining control over the practice	Meso: diverse contextual specificities at the corporate and subsidiary levels.	Empirical: case study of an MNC in the aerospace industry
Chang and Smale (2014)	APJHR	The Transfer of Taiwanese Management Practices to British Subsidiaries	HRM practices	Internal	Transfer	Processes: stickiness factors at difference stages in HRM practice transfer	Meso/micro	Empirical: 4 Taiwanese MNCs and their British subsidiaries over a 5-year period; 201 interviews with managers and employees from HQ and subsidiaries

(Continues)

TABLE A1 (Continued)

Study	Outlet	Topic	Practice type	Source	Adoption dim.	Focus	Level	Method
Durand and Jacqueminet (2015)	JIBS	Peer conformity, attention, and heterogeneous implementation of practices in MNCs	CSR practice associated with three CSR issues	Internal and external	Implementation	Antecedents: external and headquarters' demands related to CSR	Macro: local external constituents Meso: HQ demands	Empirical: 25 practices in 101 worldwide subsidiaries of 1 MNC
Bjerregaard and Klimmøller (2016)	OST	Conflictual practice sharing in the MNC	Management control system	Internal: HQ-mandated management control system	Adoption: accommodation, active support and resistance	Antecedents	Meso/micro	Empirical: case study of an MNC in a Mexican special economic zone
Bjerregaard et al. (2016)	CPOIB	Practice transfer in MNCs: a process of tension and contestation	Management practice	Internal: headquarters-mandated work practices	Adoption	Process	Micro	Empirical: ethnographic field study in a UK subsidiary of an MNC based in Denmark
Fortwengel and Jackson (2016)	JWB	Legitimizing the apprenticeship practice in a distant environment: Institutional entrepreneurship through interorganizational networks	Apprenticeship-based training	Internal	Adoption	Processes	Macro: institutional distance between two types of market economies; interorganizational networks	Empirical: case study of practice transfer from Continental Europe to the distant host environment of the USA
Shin et al. (2016)	JWB	Making the foreign familiar: The influence of TMT and board of directors characteristics on the adoption of foreign practices	Management practice Six Sigma	External	Adoption	Antecedents to practice adoption by firms	Meso/micro: TMT and board of directors characteristics	Empirical: 122 Korean manufacturing firms with 50 adoption cases (41% adoption rate) from 2000 to 2008

TABLE A1 (Continued)

Study	Outlet	Topic	Practice type	Source	Adoption dim.	Focus	Level	Method
Tsang (2016)	MIR	How existing organizational practices affect the transfer of practices to International Joint Ventures	Interorganizational practices	Internal	Transfer	Antecedents: Similarity between new and existing practices and entrenchment of existing practice	Meso: prior organizational practices; governance mode	Empirical: 324 pairs of survey responses collected from joint ventures set up by either Hong Kong or Singapore companies in mainland China
Fortwengel (2017)	OrgSci	Practice transfer in organizations: The role of governance mode for internal and external fit	Apprenticeship-based training	Internal	Adoption	Process: rel. between internal and external fit over the course of the transfer of organizational practices	Macro: governance modes (hierarchy vs. network); support and legitimacy in the environment Meso: organizational goals and support	Empirical: two German MNCs and their foreign operations in the United States
Westney and Piekkari (2020)	JMS	Reversing the translation flow: Moving organizational practices from Japan to the US	Management models	External	Diffusion	Processes	Macro level: countries	Empirical: historical case study from the 1970s through the mid-1990s

Notes: Outlet abbreviations: AME = Academy of Management Executive; AMJ = Academy of Management Journal; AMR = Academy of Management Review; APJHR = Asia Pacific Journal of Human Resources; CPOIB = Critical Perspectives on International Business; EIIM = European Journal of International Management; IBR = International Business Review; IJHRM = International Journal of Human Resource Management; JIBS = Journal of International Business Studies; JMS = Journal of Management Studies; JWB = Journal of World Business; MIR = Management International Review; MS = Management Science; Ost = Organization Studies; OrgSci = Organization Science; SMJ = Strategic Management Journal. Topics based on titles.

APPENDIX B

TABLE B1 Data structure.

Practices rolled out by HQ (N = 24)	Country subsidiaries (n = 6)			
	Country 1	Country 2	...	Country 6
Org. practice 1	Practice-adoption case 1	Practice-adoption case 25		Practice-adoption case 121
Org. practice 2	Practice-adoption case 2	Practice-adoption case 26		Practice-adoption case 122
...	...	...		...
Org. practice 24	Practice-adoption case 24	Practice-adoption case 48		Practice-adoption case 144

Abbreviations: HQ, Corporate headquarters; Org. practice, Organizational practice.

TABLE B2 Overview of final sample.

Practices rolled out by HQ (level 3b)	Country subsidiaries (level 3a)						Total Practice-adoption cases (level 2)	Total Recipient-unit managers (level 1)
	C1	C2	C3	C4	C5	C6		
Org. practice 1	2	1	1	1	2	0	5	7
Org. practice 2	1	0	1	1	1	0	4	4
Org. practice 3	2	2	0	1	1	0	4	6
Org. practice 4	1	1	0	1	1	0	4	4
Org. practice 5	1	1	1	1	1	0	5	5
Org. practice 6	1	1	0	1	1	0	4	4
Org. practice 7	2	0	1	1	1	0	4	5
Org. practice 8	0	1	1	1	1	1	5	5
Org. practice 9	1	2	1	2	2	0	5	8
Org. practice 10	1	1	1	2	1	1	6	7
Org. practice 11	1	0	1	1	1	1	5	5
Org. practice 12	1	1	1	2	1	1	6	7
Org. practice 13	1	1	1	1	1	0	5	5
Org. practice 14	1	1	1	1	1	1	6	6
Org. practice 15	1	1	1	1	1	0	5	5
Org. practice 16	2	0	1	1	1	0	4	5
Org. practice 17	1	0	1	1	1	0	4	4
Org. practice 18	2	1	1	1	1	1	6	7
Org. practice 19	1	0	0	1	1	0	3	3
Org. practice 20	2	0	1	2	2	1	5	8
Org. practice 21	2	2	1	0	2	0	4	7
Org. practice 22	1	1	0	1	1	0	4	4
Org. practice 23	1	0	0	1	1	1	4	4
Org. practice 24	1	1	1	1	1	0	5	5
Total	30	19	18	27	28	8	112	130

Abbreviations: C, Country; HQ, Corporate headquarters; Org. practice, Organizational practice.



APPENDIX C

TABLE C1 Multilevel logistic regression results for Kostova and Roth's (2002) patterns of practice adoptions.

Variable	Active adoption (<i>n</i> = 52)	Minimal adoption (<i>n</i> = 30)	Assent adoption (<i>n</i> = 22)	Ceremonial adoption (<i>n</i> = 26)
Core self-evaluations (CSE)	0.481 (0.085) [0.000]	−0.237 (0.080) [0.006]	−0.157 (0.073) [0.070]	−0.158 (0.075) [0.059]
Variance estimates				
Level 2 random intercept (i.e., practice adoption cases)	1.22e-10	7.41e-08	6.46e-12	1.93e-06
Level 3a random intercept (i.e., countries)	0.33	0.76	1.31	0.96
Level 3b random intercept (practices)	4.24e-12	3.68e-09	0.32	1.59
Model deviance	139.51	127.20	106.33	111.36

Note: *n* (Level 1) = 112; *n* (Level 2b) = 24; *n* (Level 2a) = 6. Entries corresponding to the predicting variables are standardized estimations of the random effects, beta (β). Numbers in parentheses represent standard errors; numbers in brackets represent two-sided *p* values. Model deviance, which is an indicator of model fit, is based on $2 \times \log$ likelihood; as per the smaller-is-better criterion, the model with the smaller value indicates a better overall fit (Burnham & Anderson, 2002). We omitted the null model in this analysis because of space constraint.