Control and Conflict in Managing Foreign Equity Ventures: The Case of Turkish FDI Firms

Harun Kaya

istanbul University, istanbul, Turkey harun.kaya@istanbul.edu.tr dr.hrn.ky@gmail.com

Control and conflict within emerging market-based multinational enterprises (MNEs) and their subsidiaries are scarcely researched topic in the field of international business. This study attempts to fill this gap by providing empirical investigation of the nature and extent of management control and conflict experienced by Turkish firms and their foreign affiliates. We intend to identify differences in the relative extent of control and conflict over decision making within wholly owned subsidiaries and joint ventures. We review the extant literature on control and conflict between MNEs and their subsidiaries. Then, we formulate and test hypotheses on the relationship between the relative extent of parent company control and conflict over 13 critical decision making areas and the subsidiary and parent characteristics such as age, size, industry sectors and host country type. Finally, we provide summary, conclusions and future research directions of the study.

Keywords: Control, Conflict, MNEs, Turkish FDI Firms.

JEL Classificiation: M19-Other