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„The Impact of Uncertainty on Decision Making between Headquarters and Subsidiaries: Evidence from Companies in Eastern Europe"

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ABSTRACT

This thesis examines the effect of environmental uncertainty on the allocation of decision rights between headquarters and subsidiary.

There are two contradicting views on how environmental uncertainty might affect decision rights between a headquarter and its subsidiary. The adaption view suggests that the threat of uncertainty requires companies to be more adaptable and process information locally, hence distributing decision rights to the foreign subsidiary (Gibbons, 2005; Gulati et al., 2005; Herbert Alexander Simon, 1976, p. 112; Williamson, 1991). On the other hand, the control view suggests that decision rights will be moved to the headquarters when facing uncertainty (Williamson, 1971, 1975). This thesis will contribute to the prevailing research done in the field and give further insight to contradictory views.

The categorizations used in this thesis were derived from the existing literature in order to retain the consistent of the research done priorly in the field. Furthermore, the data for the quantitative research of the thesis stems from the observed primary source. These were acquired with a standardized questionnaire of Austrian companies operating in Central and Eastern European countries.

Additionally, the independent variable was divided into three components, such as cultural, institutional and market uncertainty. In order to obtain more detailed information on the relationship between various items among the data, the dependent variable was also split into two groups: Strategic decisions rights and operational decision rights, as suggested by Mumdziev and Windsperger (2011). The data was collected among various industry sectors.

Eventually, the thesis shall give insight on how different categories are influencing the allocation of decision rights. Furthermore, it provides managerial recommendations on how companies may allocate decisions between headquarters and its subsidiaries when facing uncertainty. Subsequently, it contributes to the theoretical discussion in the field and the measurement methods used.

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1. INTRODUCTION

This thesis examines the relationship between environmental uncertainty and the allocation of decision rights of multinational companies. In an ever-globalizing world, the stance on this relationship in company affiliates may trigger wider implications. Environmental uncertainty had a late entry in organizational theory, as its influence is difficult to quantify (Downey et al., 1975a). Subsequently, approaches and measurement methods vary in the theoretical discussion of the topic.

Nevertheless, the research about the relationship of uncertainty and the allocation of decision rights has laid out the important implications for further research (Arieftiara et al., 2017; Freel, 2005; López-Gamero et al., 2011; Josef Windsperger & Gurcaylilar-Yenidogan, 2013). This paper however will try to alter the research in this field, as differentiated categories will be implemented. Each of the category is expected to influence the allocation of decision rights differently. Another addition is that the research was conducted in CEE-countries, which is a very interesting market since exposing their economies to the world. Therefore, companies might be more precautious when entering the market in the first place and facing environmental uncertainty (Pece et al., 2015).

The research on organizational relationships cannot be emphasized enough in the context of interdependence of the world's economies. The multinational expansion is linked to vast challenges for companies. Hence, retaining the effectiveness and the competitiveness on a global scale is crucial. Consequently, the allocation of decision rights poses a major task in retaining success within multinational companies. Recommendations drawn from this thesis may vary from company to company, as the process of where decisions being made is complex. Yet, some generalizations can be made. Some decision rights in a company's departments have a higher likelihood of being decentralized as there is consensus about which decisions lead to more efficiency when being transferred (Berndt et al., 2016).

As mentioned, the data stems from Austrian companies having a subsidiary or affiliates in Central and Eastern European countries. The surveys were conducted by the Institute of Business Analytics and Decisions at the University of Vienna, and both professors and students were acquiring the data together. Questions in several research topics were raised and hence the

relevant data for this thesis was extracted. The testing of reliability, correlation, and regression were analyzed with SPSS statistics program.

1.1. RESEARCH QUESTION

As mentioned in the introduction, environmental uncertainty and its effect on allocation of decision rights is discussed in other literature. Yet, the literature suggests a void on the relationship between environmental uncertainty and the allocation of decision rights for further research. What is more, decision-rights will be categorized, which will give more insight on how the variables are related to each other. The main effect will hence be measured as follows:

Research question:

Does environmental uncertainty influence the allocation of decision-rights?

As the research question addresses a rather broad influence, I separated the environmental uncertainty into different categories in order to understand the streams of influence better. Apart from the research question, following other questions will be answered towards the end of this thesis:

Sub-categories:

How do different forms of environmental uncertainty influence different scales of decision rights?

1.2. STRUCTURE OF THE THESIS

The master thesis structures as follows:

Chapter 2 reviews the relevant literature and the research made in the field of environmental uncertainty and decision rights. The goal of the chapter is to inform the reader about the importance and the implications that stem from environmental uncertainty and its effect on the distribution of decision rights within an international company.

Chapter 3 discusses the research model and the main effect in alteration of the proposed moderation factors. All of that will be done on basis of the theoretical background and empirical findings. The expected relationships are narrowed down to five hypotheses in question.

Chapter 4 talks about the research methodology and the research design, including the required pre-tests from the data. In particular, the insights to the data collection process and sample characteristics are provided.

Chapter 5 presents the results of the data analysis that was run to test the hypotheses for the accuracy.

Chapter 6 sums up the findings with a general discussion and managerial implications.

Chapter 7 outlines concluding remarks.

2. LITERATURE REVIEW AND THEORETICAL BACKGROUND

In this section, a theoretical overview of the two main literature streams (i.e. environmental uncertainty and decision making) addressed in the master thesis is conducted, by reviewing relevant literature on these topics.

First, existing literature regarding the issues discussed in this paper will be pointed out. The thesis will then name critical views on the topic, especially as environmental uncertainty is quantified differently by authors. Most relevant variables for the thesis will be explained and reflected on the following pages. The first section will highlight the items that environmental uncertainty is based on, the other section is thematizing the dependent variable of decision rights, consisting of the operational and the strategical components. Although these subjects were discussed in pre-existing literature, this relationship has not been analyzed yet with this particular variable structure. The research model will then reflect the different variables and their relationships that will nourish the research question.

2.1. THE CONCEPT OF ENVIRONMENTAL UNCERTAINTY

2.1.1. The Key Characteristics of Environmental Uncertainty

"The economic problem of society' is mainly one of adaptation to changes in particular circumstances of time and place" (Hayek, 1945, p. 524). The Austrian and Post-Keynesian schools with the most notable Keynes and Knight have given uncertainty special emphasis in their research (Wubben, 1994, p. 202). Buchko (1994) later described it as "*Effect uncertainty is an inability to predict the nature of the effect of a future state of the environment on the organization.*"

Thus, the assessment of complexity and dynamism of the environment can only be done to a limited extent. However, environmental uncertainty remains a critical issue as it forms part of the interpretive basis on which strategies are executed (Chong & Chong, 1997). Furthermore, uncertainty is often feeding competition (Allaire & Firsirotu, 1989). Comprehending the scale of industry changes is an intractable problem executives face (Warren, 1995). Response

uncertainty is an inability to forecast the likely consequences of a response choice. Business strategy and manufacturing is influenced by environmental uncertainty and hence business performance (Swamidass & Newell, 1987). However, Hoque (Hoque, 2004) could not find a relationship between firm measures and environmental ambiguity among 59 manufacturing companies.

The third type, institutional uncertainty, is also referred to as perceived environmental uncertainty. As Klein (1995) noted that being concerned about the behavior with a firm will likely have to be described as 'subjective uncertainty'. The concept has been reflected in objective and subjective contexts. Widely accepted among the topic nevertheless is that the managerial perception is more important than the actual environment (Achrol et al., 1983; Duncan, 1972b; Hambrick & Snow, 1977; Miller, 1988). It proves that even the environmental uncertainty is also a subjective endeavor. Managers will therefore take decisions that are designed for uncertain environments if they perceive an environment to be uncertain. In this regard, uncertainty, as an inevitable factor on the objective environment characteristics, prevails the significance of perceptual process in assessing the environmental uncertainty (Freel, 2005). Organizational design can provide information of appropriate richness to reduce ambiguity, while providing enough data to reduce uncertainty (Daft & Macintosh, 1981).

Objective features of the environment and the managers' perception are often unlinked from each other (Boulton et al., 1982). Manager's perceptions will be influenced by detected and undetected environmental uncertainty (Pfeffer & Salancik, 2003, p. 189). When costumer preference changes due to societal values, future technologies' amend, or legislations are adapted, the managerial perspective on the business environment will seem uncertain (Rueda‐Manzanares et al., 2008). However, there is no consensus reached yet by authors about how to determine environmental uncertainty (Sharfman et al., 1991).

As the subject matures, it is increasingly believed that the uncertainty factors interact with each other, and by developing the multidimensional operationalizations of environmental uncertainty a more comprehensive view is shaped (Milliken, 1987; Tan J. & Litschert, 1994). In this case, several dimensions of environmental uncertainty can be determined, namely technology uncertainty, market uncertainty, competitive uncertainty and the macro-environmental uncertainty (Jabnoun et al., 2003). The notion of the subject however remains abstract. Yet, most of the literature is narrowing down environmental uncertainty to information uncertainty and resource dependence theory (Kreiser & Marino, 2002). Resource dependence arises when firm

affiliates with a limited amount of power manage critical resource flows (Child, 1972). The term of information uncertainty is facilitated for instance if managers are unaware of the legislation in an environment or if legislative changes and its effect on the organization remains unknown to the decision-makers (Maijoor & Witteloostujin, 1996).

As regulations are often ambiguous and also cannot be fully comprehended, managers are struggling to make the right decisions upon them. Hence, the consistency in its implementation is lacking and the environmental uncertainty will be overrated (Lewis, 2004). What is more, as there are board members and stakeholders involved in the decision-making process, that alone poses the risk of environmental uncertainty (Henriques & Sadorsky, 1999). Developing and sustaining structures for decision-making with stakeholders, it has the potential to minimize the risk of environmental uncertainty (Kreiser & Marino, 2002).

"*Perceptions of environmental uncertainty occur when executives are unable to predict future changes in components of the environment or possess an incomplete understanding of the relationship among components of the environment*" (Kreiser & Marino, 2002).

As Damanpour (1996) correctly stated, a sophisticated and changing environment results in a high level of uncertainty. However, the predictability of the conditions within the company seems quantifiable measures. The generic typology exemplifies the evaluation of an organization on the scale of engineering, administration, and entrepreneurship in accordance to environmental uncertainty. Prospectors within the company have highly proactive traits, which contributes to flexibility. Decentralized structures are created by internal complexity (Dyer & Song, 1997; Hrebiniak & Snow, 1980; Jennings et al., 2003; Moore, 2005; R.E. Miles & Snow, 1978).

Garner (1962, p. 316 ff.) described the uncertainty as the logarithm of possible outcomes in one event. Knight (2012, p. 96) and Luce & Raiffa (1989, p. 176) mentioned uncertainty in the event of known probabilities outweighing the unknown. In later research, Lawrence & Lorsch (1967) defined three components for uncertainty with lack in clarity of information, causal relationships and long feedback loops. The more dynamic organization environment, there is more uncertainty in decision making is experienced (Garner, 1962, p. 316 ff.). Koopmans, (1959) distinguished between the following forms of uncertainty: The primary uncertainty reflects a lack of knowledge about natural conditions, such as uncertainty about natural events, while the secondary uncertainty reflects a lack of knowledge about the actions of other economic agents.

From those distinctions made, Williamson (1985) drew his separation of primary, competitive and supplier uncertainty. The primary uncertainty reflects the uncertainty arising from exogenous sources such as natural events, changes in preferences and regulatory changes, e.g. in standards or tariffs. Thus, the primary uncertainty seems to subsume the technological uncertainty or the uncertainty arising from technological changes due to new inventions or discoveries (Sutcliffe & Zaheer, 1998). It corresponds with what Milliken (1987) described as state uncertainty.

The contingency theory with its environmental factors raised the concern in organizational theory (Downey et al., 1975a). Decision units in the most dynamic-complex environments face a comparably high uncertainty in decision-making. In general, the environments in the organizational context draw upon three dimensions: dynamism, munificence, and complexity. Whereas dynamism and complexity combine the degree of uncertainty firms face (Dess & Beard, 1984).

Just as behavioral uncertainty, transaction cost economics issues like bounded rationality and opportunism are just other forms that can be diminished by organizational policies (House & Rizzo, 1972). Other than that, formulating specific goals results in less ambiguity (Latham & Yukl, 1975; Steers & Porter, 1974).

Interestingly, the lack of uncertainty makes entrepreneurship redundant. In the past, Eastern European countries proved that with socialist planning (van Gelderen et al., o. J.). In this thesis, most countries in this research stem from former socialist background. A system of complete planning aims to resulting in a perfect resource allocation. Yet, uncertainty is a stringent factor in economic life in order to take risks and innovate. That being said, entrepreneurs are most prone to be facing uncertainty as they do not know the full extent of outcomes nor occurring possibilities (Wubben, 1994, p. 89).

2.1.2. Applications of Environmental Uncertainty

The environmental uncertainty constructs stem from the variables given in the data-set that underlies this thesis. There are the factors of cultural-, institutional- and market- uncertainty that can be summarized as environmental uncertainty.

A firm might be required respond to unforeseen changes more rapidly in order to survive (Covin & Slevin, 1989, p. 86; Lawrence & Lorsch, 1967). General conditions faced by the company are actions of its suppliers and competitors, government regulation and intervention and

predictability of financial and capital markets (Hrebiniak & Snow, 1980). Across sectors, decision-makers' perception of environmental uncertainty differs (Bowen, 2000; Brunnermeier & Levinson, 2004). Sector barriers for instance result in a rise of environmental uncertainty and lowers performance (Post & Altmann, 1994).
Köseoglu et al. (2013) investigated the linkages between business strategy and uncertainty in emerging economies. The authors also highlighted the fact that there has not been enough research on the relationship between environmental uncertainty and decision-making.

"Specifically, it can be argued that Turkish hotels are affected more by competitive and market uncertainty than by technological uncertainty." (Köseoglu et al., 2013)

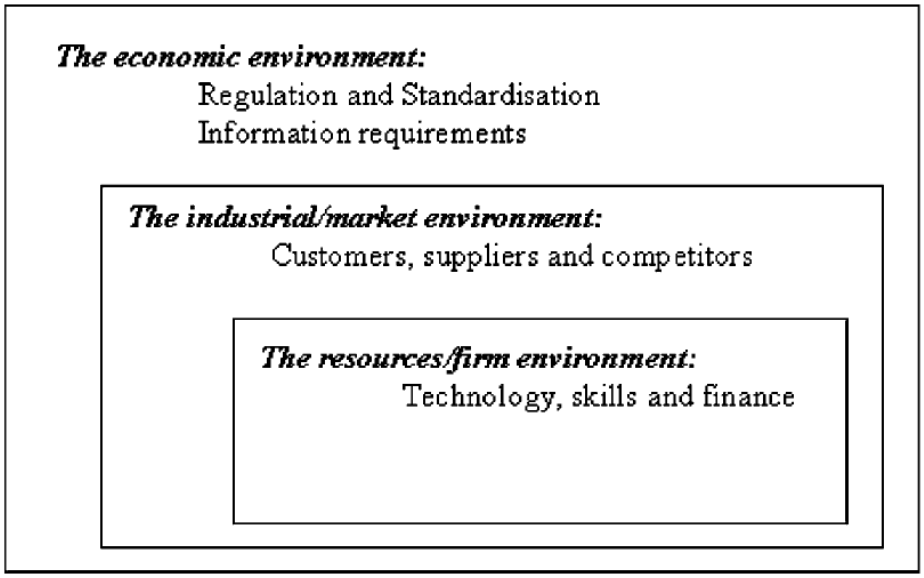


Figure 1: Environmental uncertainty according to Freel (2005)

Figure 1 gives a suggestion of how factors of environmental uncertainty can be differentiated. Accordingly, the economic environment, industry and market as well as the firm itself are all factors posing different types of uncertainty (Freel, 2005). Duncan (1972) formulated the simple-complex dimension and the static-dynamic dimension, the first dimension includes all factors having to be considered in decision-making and the latter is continuous uncertainty, that remains over a longer process of change. Later R.E. Miles & Snow (1978) introduced a 'perceived environmental uncertainty scale' that included subscales in the key sectors of the forms external environment, revolving around competitors, customers, financial markets, suppliers, government and regulatory agencies and trade unions. Wernerfelt & Karnani (1987) later defined uncertainty mainly in demand, supply, competition and external environment (see 2.3.).

Deriving from the questionnaire “The Choice of Market Entry Modes: Evidence from Austrian Companies in Eastern Europe” relevant for this thesis, the separation of cultural uncertainty, institutional uncertainty and market uncertainty seems reasonable.

2.2. THE CONCEPT OF DECISION RIGHTS

2.2.1. The Key Characteristics of Decision Rights

Decision-rights will be facilitated as dependent variable in this thesis. This chapter will define how decision-rights will be used in this thesis. The definition of decision rights can be traced back to the organizational theory.

In line with both organizational information processing and structural contingency theory, the researchers determine that the adjustment of the structure of the organization to the specific environmental conditions is a prerequisite for organizational effectiveness (Bensaou & Venkatraman, 1995; Leifer & Huber, 1977). Decision rights include the system-specific assets of product-management, human-resource management, quality-control, customer-service, and advertising. Decision right is the fundamental allowance to have control and must therefore be separated from the ownership (J. R. Brown et al., 2003). Consequently, decisions do not essentially have to involve the parent company. Decision rights can be allocated freely between the parties involved. Deriving from that, decentralizing decision rights can facilitate a greater effectiveness. The most influential factors stem from the transaction cost theory and that includes trust and relational governance, monitoring, transaction agency cost and property rights (Mumdžiev & Windsperger, 2011; Josef Windsperger & Gurcaylilar-Yenidogan, 2013).

Decision rights do not necessarily correspond with ownership and therefore we must take to analyze authority in this regard. The formal definition of authority is having an influence on an organization or parts of it (Aghion & Tirole, 1997). Authority is passed on either by ownership or through implicit or explicit contracting of the ruling-right to certain members or compartments of the firm. These forms of assignment reveal the formal authority within the company. However, the formal authority must not always implicate the reflect the decision-making authority. Hence, it is important to detect the key individuals making decisions (Aghion & Tirole, 1997). Previous theoretical studies have shown that inappropriate decentralization increases agencies' costs due to conflicts of interest between the parent company and its subsidiaries,

while over-centralization leads to increasing communication costs or loss of information (Bloom et al., 2012; Dessein, 2002; Jensen & Meckling, 1995).

Asymmetric costs in knowledge and information are the key factors which differentiate the formal from the real authority. In some cases, it might be helpful to appoint an agent for making certain decisions, as they have more specific knowledge to offer. As the principal would have taken decisions upon best available knowledge and information, agent-engagement could result in less costs and a better pay-off. Ascribing decision-rights and authority to members or groups within the organization might be very helpful in certain situations. Although the formal authority remains with the principal, the real authority is handed to the agent (Bloom et al., 2012; Dessein, 2002; Jensen & Meckling, 1995). Therefore, asymmetric information between headquarter and affiliate regarding the form of authority can be hazardous to the company. Aghion & Tirole (1997) argued that even when principles would take different steps from their agents, they refrain from it as they trust in the agent being more informed about the problem and assuming that principal and agents' objectives do not diverge crucially in the first place.

2.2.2. Applications of Decision Rights

Depending on the branch or the industry the company is operating in, the hierarchy of decision-making might be different. Each branch has different requirements in terms of information and knowledge about the foreign market. Many authors have emphasized categorizing decisions in extent of market orientation (Berndt et al., 2016; Turner & Henry, 1994). They found that certain value-chain activities are more likely for decentralization when the company is highly market-oriented. Others are usually market-based decisions and flexible, most significantly in Human Resource Management. Yet, selection of management staff must be excluded from market-based decisions, as crucial decisions like that are usually centralized. Furthermore, "Finance and Investment"-decisions and "Research and Development" are decisions that usually require a low market orientation or, in other words, a high centralization.

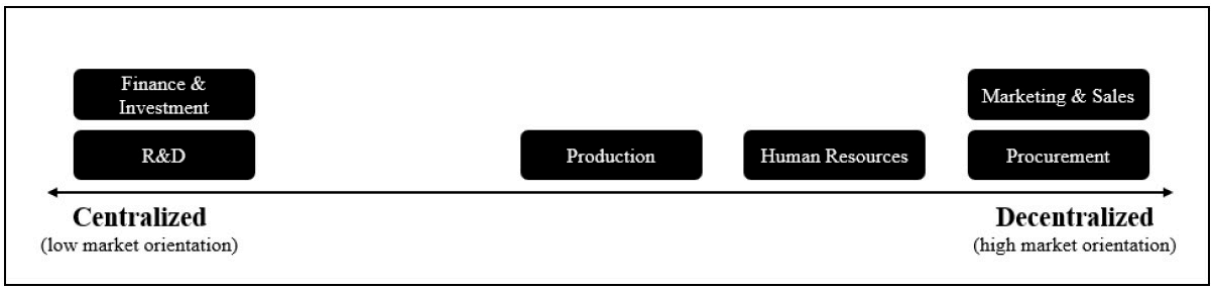


Figure 2: Market orientation as drawn by Berndt et al., 2016

Accordingly, this work will be conforming with the pre-existing literature and analyze the allocation of real authority, to determine where decisions are taken within the company. Real authority must not correspond with authority and ownership.

"The allocation of decision rights is the allocation of real authority of the decisions taken, which represents the effective control over a decision." (Aghion & Tirole, 1997, p. 4)

These authors argued differently about the impact of environmental uncertainty on decision-rights. Those supportive of the information uncertainty approach argue that new business environments create a lack of understanding and information and therefore environmental uncertainty is created within the company (Duncan, 1972b; Lawrence & Lorsch, 1967; Milliken, 1987).The resource dependency theory revolves around a scarcity of resources in the new business environment that the organization is depending on (Dess & Beard, 1984; Finkelstein, 1997; Reitz, 1979). Hence, the strategic decision-making process shall take both views into consideration. The clarification of the issues in question is incremental for the decision-making process. Furthermore, the managerial impact of environmental uncertainty has significant implications for the environmental strategy development.

"One of the few sets of consistent findings in the innovation literature is that ... innovation is positively correlated with environmental uncertainty (conceptualized in terms of complexity and dynamism)."(Russell & Russell, 1992, p. 641 f.)

The firms operating in the CEE-countries and facing environmental uncertainty have the incentives of market segmentation that is triggered by research and development. The incumbent firms will therefore introduce new products or process in order to retain their segmented position in the market. The early studies show that no less than 50 per cent of firms strive for innovation when facing uncertainties from competition, market and environment (Myers & Marquis, 1969, p. 234). This may apply to both, entrepreneurs and conservative firms (Miller & Friesen, 1982). Thus, company's residing in certain environments are less likely to be innovative compared to those that do not (Russell & Russell, 1992).

However, the opposite is true for a company facing a relatively hostile environment, where a financial conservation is more prioritized and innovation comes secondary (Lumpkin & Dess, 2001). Hence, price competition is more prevalent than product differentiation (Covin et al.,

2000). This applies to manufacturing firms mainly as there are more sunk and fixed costs to be considered in the early stages of entering a new environment.
Jensen and Heckling (1995) suggested the two ways of separating decision rights: Decision Rights are either taken by those who have the right to or decision rights are transferred to those who are knowledgeable enough. Hence, these rights are transferred when the costs of transferring them from agent to headquarters is low. Furthermore, that can be retained when the headquarter assets are valuable and the bargaining power is legitimate or the degree of intangibility low.

"Generally, we can differentiate decision rights regarding strategic and operational decisions. Strategic decisions are primarily made by the franchisor, and operational decisions are divided between the franchisor and the franchisee. Operational decisions include marketing decisions price, product, and promotion), human resources decisions (training and recruiting), investment, and procurement decisions." (Mumdžiev & Windsperger, 2011, p. 451 f.)

Hence, from now on the allocation of decision rights will be differentiated by the categories of organizational decision rights and strategical decision rights. As (Berndt et al., 2016) differentiated between high and low market orientation, Mumdžiev & Windsperger (2011) continue by suggesting that there are decision rights that are in general less transferrable than others.

2.3. THE RELATIONSHIP BETWEEN ENVIRONMENTAL UNCERTAINTY AND THE ALLOCATION OF DECISION-RIGHTS

To get to the research question, it is important to analyze the research that was done in this regard. There is literature that explains the relationship between environmental uncertainty and the allocation of decision rights. López-Gamero et al. (2011) note that scholars neglect environmental uncertainty, and in particular the contingent relationship between the perceived environmental uncertainty in the business environment and strategic decision-making processes. However, there have been many important contributions.

Most notably, Windsperger & Gurcaylilar-Yenidogan (2013) analyzed the relationship in the automotive sector. They found that centralized control over decision-making is increased with environmental uncertainty being high. However, they stated that the centralization of decision-making is generally very common in the automotive branch as the coordination and control

costs the firm faces are relatively high. If different structures are differently effective in processing information to reduce uncertainty in decision making, then the information processing capabilities of the structure should match the perceived uncertainty in the environment (Leifer & Huber, 1977).

There are two contradicting views to distinguish in the relationship between environmental uncertainty and the allocation of decision rights, namely the adaptation view of governance and the control view. The adaptation view describes the mode of greater environmental uncertainty requiring greater adaptability and thus greater local information processing capacity by delegating coordination tasks to local actors (Gibbons, 2005; Gulati et al., 2005; Herbert Alexander Simon, 1976, p. 112; Williamson, 1991). When environmental uncertainty is high, companies tend to choose a lower level of control in order to be able to react flexibly to environmental changes (Erramilli & Rao, 1993b; Hippmann & Windsperger, 2013; Klein et al., 1990).

Conversely, the control view of governance suggests companies will increase their information processing capacity as the need for coordination increases with environmental uncertainty (Williamson, 1971, 1975). Organizations implement more elements of hierarchy, if the degree of uncertainty increases and environmental uncertainty is positively related to the level of control in inter-company alliances (Noordewier et al., 1990; Stinchcombe, 1984, p. 243).

High environmental uncertainty definitely creates adaption problems that need to be resolved between the network partners (Gulati et al., 2005; March & Simon, 2013, p. 142; Thompson, 2011; Williamson, 1975). The delegation of decision making authority has the potential to funnel knowledge transfers between parties, even in times of increased uncertainty (Zábojník, 2002). This adaption reduces leaks and delays in the transmission of knowledge network partners (Colombo & Delmastro, 2004; Zábojník, 2002). Therefore, the broad consensus in the literature claims that a more dynamic environment requires a more decentralized decision-making to responding the pending issues quickly (Aoki, 1986; Burns & Stalker, 1961; Davis et al., 2009; Fan et al., 2003; Hippmann & Windsperger, 2013; Vázquez, 2004). These findings can be argued that with the vast degree of innovation uncertainty is increased. Under a very high level of environmental uncertainty, the tendency towards more bureaucratic control of the supply chain with more centralized decision-making and less strong incentives increases (J. Windsperger & Jell, 2005)

"The more uncertainty there is, the more complex internal transactions are to organize, requiring tighter coordination and, therefore, more centralization of strategic decisions." (Menard, 1997, p. 24)

On the contrary, great environmental uncertainty leads a company into the necessity of innovation (Freel, 2005). This literature suggests that firms facing much environmental uncertainty are the most prone to aggressive and more proactive strategies (Ozsomer et al., 1997). On the one hand, environmental uncertainty influences the changes that managers draw from the business environment; and on the other hand, this type of uncertainty influences the changes that managers themselves initiatives they take in response to the business environment (López-Gamero et al., 2011).

I will only analyze the vice versa relationship in this thesis, namely that *"environmental uncertainty causes a centralization of decision rights"*, as Windsperger & Gurcaylilar-Yenidogan (2013) could not support this hypothesis in their work.

However, as decentralization bears the risk of controlling decision-making authority, there is a trade-off between adaption and control to bear in mind. Hence, the raising market-based authority may result in the loss of control for the headquarter. In other words, corporate behavior may not always align with the interest of the parties, as argued in the agency theory (Jensen & Meckling, 1995; Milgrom & Roberts, 1992). In this way, the company loses the achievement of common goals over the distribution of authority. The monitoring costs will then increase the costs of control (Josef Windsperger & Gurcaylilar-Yenidogan, 2013). If these costs of monitoring exceed the utility of information processing under high uncertainty, the structure of decision making will be held centrally (Xue et al., 2011). In addition, the company holds flexibility when it comes to environmental conditions. Consequently, high environmental uncertainty will result in a low market orientation to reduce the residual loss from the risks inside and outside of the company. When López-Gamero et al. (2011) asked textile producers how to cope with environmental uncertainty in their business dealings, technology seems to by the major barrier to adaption:

"The environmental uncertainty and the irreversibility of investment force us to delay some investment decisions even when the investment appears to be profitable according to the net present value. We only decide to invest in some environmental technology when we think that costs are viable or that it is possible to have a subsidy policy." (López-Gamero et al., 2011, p. 431)

The adaption view argues that environmental uncertainty requires agents to be more adaptable in terms of information processing and coordination (Gibbons, 2005; Gulati et al., 2005; Herbert A. Simon, 1951; Williamson, 1991). To be more adaptable during environmental uncertainty,

lower control modes are often preferred (Erramilli & Rao, 1993a; Hippmann & Windsperger, 2013; Klein et al., 1990).
On the other hand, some argue that headquarters increases information processing and coordination with uncertainty (Williamson, 1975). Organizations also tend to increase hierarchy within the company (Grant, 1992). Environmental uncertainty is positively related to higher control modes, according to Noordewier et al., (1990). Centralization in highly uncertain environments benefits coordination.

As governance is centralized in uncertain settings, the cost of coordination is diminished across units in multi-business firms (Tushman & Nadler, 1978). Resource sharing and coordination reduces risk in highly uncertain environments by enabling companies to shift resources between business units when opportunities arise, thereby mitigating the impact of uncertain environments. When this is taken into account and uncertainty increases from the intermediate level, the control and coordination benefits of centralization may outweigh the benefits of the adaptability and responsiveness provided by decentralization (Xue et al., 2011). For large companies with different business environments in different divisions, factors at the business unit level rather than at the corporate level give a better indication of the governance relationship between each division and its headquarters (C. V. Brown, 1997).

Cultural Uncertainty

Culture is defined as "collective mental programs" shared by a group of people; these programs that vary from one group to another. Hence culture distinguishes one group from another (Hofstede, 2001, p. 64). He also noted, that the cultural dimension is most relevant in terms of the firm's decision making. The cultural distance between two nations reflects the existing differences in certain values, norms and rules of conduct between them (Shenkar, 2012). These differences increase the liability for foreignness or the difficulties that the investing company must overcome if it wants to develop its activities in a new country (López-Duarte & Vidal-Suárez, 2010).

Organizations with strong cultures contain cultural elements related to the beliefs and assumptions of employees, and therefore it can create discrepancies in an international organization (Driskill, 2018, p. 58). This construct derives from capabilities that link the outside of the organization and focused market sensing (Day, 1994). Harzing & Feely (2008) have found that the higher the language barrier, the greater the control of the parent companies over their subsidiaries. Strategic decisions, such as plans for the future market extensions may be delayed,

destination countries may be selected on the basis of the language competence of the parents, and entry methods may be changed to avoid the linguistic trauma that may be associated with the acquisition (Welch et al., 2001).

Where uncertainty is widespread and communication is a problem, the typical measures taken are the centralization of key decisions and the imposition of rigid and burdensome reporting, not only on finances but on many other areas such as manufacturing, quality, purchasing, inventory and service levels (Harzing & Feely, 2008). The choice of functional language may introduce a superior/subordinate relationship in the company, which does not necessarily reflect the actual obligation, responsibility or decision making power contractually assigned to each partner and/or equity participation (Luo & Shenkar, 2006).

These capabilities include bonding aspects with channel members, wholesalers, and retailers, retaining customers and creating relationships with customers and suppliers. The partner's familiarity with local cultural and political conditions can help to reduce this uncertain environment, or he can exacerbate problems arising both from working in an unfamiliar environment and from working with a partner whose values and rules of conduct are not properly understood (López-Duarte & Vidal-Suárez, 2010).

Therefore, the first set of hypotheses will test the relationship of cultural specifics influencing the allocation of strategical and operational decisions. Whereas, operational decisions are expected to be more flexible in their allocation (Berndt et al., 2016).

H1a

The higher cultural uncertainty in the host country, the more strategical decisions will be allocated to the headquarters.

H1b

The higher cultural uncertainty in the host country, the more operational decisions will be allocated to the headquarters.

Institutional Uncertainty

The ease with which a policy maker in a particular country can change taxation, regulation or other things policy in a way that expected income of the multinational subsidiary. partnerships

with host country companies that have a comparative advantage in cooperation with the governments of the host country can protect against these risks (Henisz, 2000).
Freel (2005) defined the economic environment, hence the government regulations and information requirements. In contrast to the relatively stable political, social and economic environments in developed countries, emerging markets are portrayed in a dynamic institutional context characterized by non-transparent rules and little transparency in the decision-making processes of the state institutions such as courts and other relevant bodies (Hoskisson et al., 2000).

The institutional uncertainty refers to political, economic and social factors in the host country, as well as unfavorable changes in the policies or governmental regime of that country (Henisz, 2000). Therefore, emerging economies in particular will rapidly evolve in institutionally regulating economic transactions (Hoskisson et al., 2000; Wright et al., 2005). Also, increased demand calls for greater information requirements, information collection and processing. The better the 'fit' between the requirements and capacities of information processing, the higher the effectiveness of the results of the decision and then the performance (Keller, 1994).

Hence, the next set of hypotheses address the institutional uncertainty in particular. As referring to the literature review, a hostile institutional environment in the host country is expected to allocate the decision rights around the headquarters:

H2a

The higher institutional uncertainty in the host country, the more strategical decisions will be allocated to the headquarters.

H2b

The higher institutional uncertainty in the host country, the more operational decisions will be allocated to the headquarters.

Market Uncertainty

This factor can be summed up with what DeSarbo et al. (2005) described as “the market environment uncertainty” and “competitive environment uncertainty”, which contained changing customer base, customer product needs, customer price sensitivity, customer preference-changes, easing forecasting marketplace changes, ability to match competitive offers, the degree of promotion and price wars and other competitive factors (Choi, 1993, p. 201).

Technology factors are considered to be highly uncertain and seemed to be the most important decision contingencies (Downey et al., 1975b).

Jabnoun et al. (2003) formulated the dimensions of Market Uncertainty: The inability of establishing competition in the industry, relative to the power of its competitors (Competitive uncertainty); the lack of clarity regarding the dynamics of the market and implications for the organization's operations, demand and supply (Demand uncertainty); the uncertainty regarding the technological resources and capabilities, with the potential of undermining the organization's competitiveness (Technology uncertainty). Interestingly, firms often deal with the uncertainty of foreign demand by testing foreign markets with small export volumes before moving production to a foreign market that they identify as substantial (Akhmetova, 2010).

The product market undergoes the constant redefinition due to aggressive and competitive environment. Undergoing the constant changes internally, prospectors seek the leverage within the technological environment. Technological changes are seen as the most alterable ones and therefore face the most uncertainty (Allen & Helms, 2006; Conant et al., 1990; Tan et al., 2009). Sutcliffe & Zaheer (1998) suggested that this kind of uncertainty influences the choice of government mode.

Wernerfelt & Karnani (1987) emphasized the demand uncertainty, in particular in the early stages of the industry life cycle. Furthermore, the supply uncertainty that can appear exogenous or endogenous. The latter can arise from research and development of superior technology and the period of adoption, fraud or accidents and economies of scale. The authors also highlight the competitive uncertainty, stemming from the strategies and aggressiveness.

The last set of hypotheses reflect market uncertainty and its influence on the allocation of decision rights. The market uncertainty combines several items including demand and competition (see 4.2.1.).

H3a

The higher market uncertainty in the host country, the more strategical decisions will be allocated to the headquarters.

H3b

The higher market uncertainty in the host country, the more operational decisions will be allocated to the headquarters.

2.4. OTHER FACTORS INFLUENCING THE ALLOCATION OF DECISION RIGHTS

In order to alter or manifest the relationship between dependent and independent variable, control variables will be taken into the analysis to find if their impact has to be regarded or can be disregarded. The literature has shown that in particular in international partnerships, the experience in the foreign country, the size and age of the company and among the different company locations have an influence on environmental uncertainty and the allocation of decision rights (Gillis et al., 2014; Herz et al., 2016; Josef Windsperger, 2004).

In particular, trust has a strong relation influence on the dependent and independent factors as it directly affects the allocation and may lower the monitoring costs. In terms of internal communication and transparency, trust is built up between the parties. Trust has also the potential to eventually lower the environmental uncertainty as it may harm the impact of uncertainty. However, when including trust in the model would cause measurement problems, it is influencing the dependent and the independent variables. Hence, trust is more suitable to be facilitated as moderator variable.
Relational risk and agency problems are diminished if experience is high among the principal and agent and is thus saving transaction costs (Herz et al., 2016; Williamson, 1979). Wernerfelt & Karnani (1987) highlight the relative size of companies, as they facilitate the strategic choice between wait, focus and flexibility.

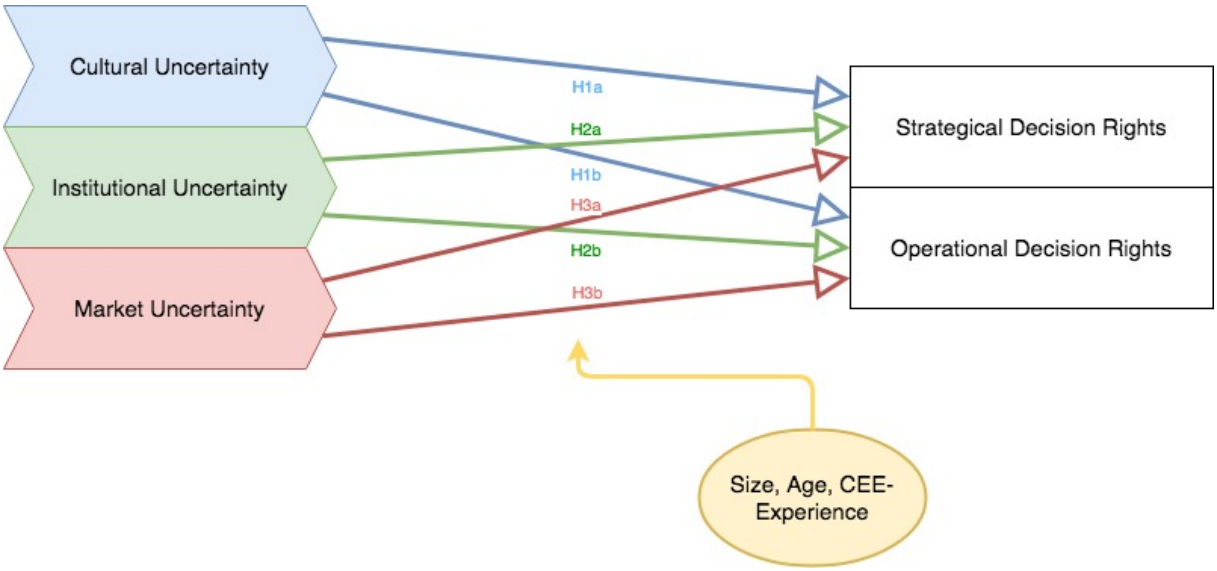
This application for a control variable is also valid for the factors Age, Size and CEE-experience. Age refers to the years active in the foreign country, whereas size describes the number of personnel in the foreign country. These factors are referred to as organizational structure properties, which play an incremental role observing international partnerships and impact the allocation of decision-rights (Vázquez, 2004). Arieftiara et al. (2017) introduces Size and Age as well in their research in *"Environmental Uncertainty as a Contingent Factor of Business Strategy Decisions: Introducing an Alternative Measure of Uncertainty"*. Experience on the other hand was chosen as control variable in *"Formal and Real Authority in Interorganizational Networks: The Case of Joint Ventures"* by Hippmann & Windsperger (2013).

3. RESEARCH MODEL

Deriving the effects from the theoretical background, the model contains all the variables mentioned in the prior section. The methodology will be based upon this model.

The explanatory variable of environmental uncertainty was split into different components. Here, three categories were tested independently as there are different outcomes to be expected. The categories include the "Cultural Uncertainty", "Institutional Uncertainty" and "Market Uncertainty". The dependent variables were split into categories as well, namely "Strategical Decision Rights" and "Operational Decision Rights". To test the relationship of the predictor and response variable, control variables were implemented. These consist of "CEE-experience", "Size" and "Age".

Figure 3: Conceptual Model



4. METHODOLOGY

The following chapter will provide an overview of the empirical study applied in this master thesis. Firstly, the research design will be presented. In order to use the variables in the proposed manner, pre-tests had to be conducted. Furthermore, the implications for the main study will be assessed. The variables will be explained, so that its functions become obvious. Eventually, the reliability and the validity of the data collection and the measures taken will be revealed.

4.1. DATA COLLECTION AND SAMPLE DESCRIPTION

The thesis is based upon quantitative research methodology and built on the primary research. A questionnaire survey was conducted to fit the requirements of the research question. The respondents either received the questionnaire per mail or could access it via web. The Institute for Business Decisions and Analytics of the University of Vienna initiated the research project, led by Prof. Mag. Dr. Josef Windsperger and Mag. Oksana Galak. Under the topic of *"The Choice of Market Entry Modes: Evidence from Austrian Companies in Eastern Europe"*, the firms were invited to participate in the survey. The data was acquired in summer and autumn of 2017 and several students were invited to support the data collection. Multiple topics a multinational corporation has to cope with were addressed. Not all the topics were deemed relevant for this thesis. Cross-sectional data was drawn from 28 different industries, namely agriculture and forestry, automotive, banks and insurance companies, construction and infrastructure, consulting and engineering, education, chemistry, electronic engineering and electronics, energy industry and natural resources, renewable energy, health and medical technology, wood and paper industry, information and communications, interior design, consumer goods and lifestyle, creative industries, plastics, life science and pharmaceuticals, machinery and plant construction, metals and metal processing, fashion and textiles, food and drink, new materials and technology, safety, tourism, sports and leisure, transport and logistics, environmental technology, packaging and printing.

The companies in this research are having their headquarters in Austria whilst also operating in the Eastern European CEE countries. The database from the Austrian Commercial Section was vital in order to identify those firms. *"The Austrian Economic Chambers represent more than 517,000 member companies. As the voice of Austrian business, we are committed to forward-*

looking policies which benefit the economy e.g. tax relief, cutting red tape, subsidies." (Austrian Economic Chambers, o. J.)

Over the data collection period in 2017, the population of Austrian firms operating in the CEE countries were known to consist of around 800 companies. In a second step, the firm websites were identified, and contact details were extracted. In this way, if possible, headquarters were inquired as they tend to have insights to market entry strategies as well as information about environmental uncertainty and decision rights determinants.

By using standardized quantitative questionnaires as a research method, the aim was to maximize the response number and reach out to as many managers as required for the population. Questionnaires are an effective measure, as the return rate is relatively high compared to other data collection methods. What is more, managers can give an accurate answers due to the standardization of questions (Babbie, 2012). However, a questionnaire also raises concerns in terms of its inflexibility.

The level of confidence is determined by the sample size of 800 recipients, and with a stringent alpha of 5 %, 104 responses are required at a minimum for this level of confidence (Barlett et al., 2001). The population size of the data collection yielded 168 valid responses, which validates the alpha-value. Some of the respondent companies are not only having subsidiaries in one country, but more. Therefore, some questions had to be narrowed down to the country these companies are most active in. The questionnaire acquired data on international activities with the foreign partner, in 15 different countries all together.

4.2. Measurements

As we described all the factors relevant for thesis, now these factors will be categorized in order to include them in the model. Eventually, categories can be derived that will explain the relationship of environmental uncertainty and allocation of decision rights.

4.2.1. Independent Variables

The independent variable is determined by the factor of environmental uncertainty. In order to make the independent variable measurable, it has to be narrowed down into subcategories (DeSarbo et al., 2005). In the case of environmental uncertainty three categories were

implemented, and these will be analyzed and tested in various hypotheses. Hence, all the categories address different kinds of environmental uncertainty.

Consequently, following categories can be extracted according to their effect on decision rights:

- Cultural Uncertainty
- Institutional Uncertainty
- Market Uncertainty

The environmental perception was addressed in the questionnaire and answered by managers in the headquarters. In particular, their perception on uncertainty in the foreign country and the market specifics were prompted. There were 11 questions in total on the subject and grouped in the following order: The cultural uncertainty consisting of representative questions will appear in the statistical framework as CULTCOMP, the institutional uncertainty with four respective questions was named INSTCOMP and the final factor of market specifics with four questions will appear as MARKCOMP.

The scale used in the questionnaire is based on a 7-point Likert type. The lowest possible value with 1 implicated “not at all”, which indicates that there are no perceivable uncertainties to observe between headquarters and agents. 7 on the other hand indicates “to a very great extent”, meaning uncertainty being perceived as high between the parties involved.
However, the scales of the uncertainty factors had to be reverted in order to make them comparable to the other categories. The items were grouped, and the mean was eventually determined, so the relationships could be analyzed with composited variables. The composite is treated as an interval scale for statistical accuracy (Jakobsson, 2004; Vigderhous, 1977).

Cultural Uncertainty

This concept is composed from three items that were addressed in the questionnaire, namely:

- Cultural differences, such as norms and values, are perceived differently.
- Business practices in the foreign country are different.
- There are high-perceived language barriers in the foreign country.

Institutional Uncertainty

Following items from the questionnaire address this category are:

- Protection of intellectual property is perceived as low.
- The political environment is relatively unsafe.
- The foreign market does not provide sufficient property rights.
- Infrastructure does not live up to the standards of the home company.

Market Uncertainty

Following items were acquired from the companies for market uncertainty:

- The customer demand varies in the foreign market environment.
- Sales volume is difficult to forecast in the foreign country.
- The market share is unstable.
- Competitiveness is high within the industry.

4.2.2. Dependent Variables

In this section, the variable allocation of decision rights will be discussed. The dependent variable will be split into two categories as Mumdziev & Windsperger (2013) proposed into strategical decision rights and operational decision rights. Both variables will be tested independently and hence have hypotheses formulated for each apparent relationship.

The separation of organizational (ODRIGHTS) and strategical decision rights (SDRIGHTS) is necessary as some decision rights can be more easily transferred than others. Consequently, some decision rights are rather inflexible in their nature compared to others - E.g. Research and Development are a strategical decision right, which can be incremental for a competitive advantage and hence more "sticky" to the headquarters (Berndt et al., 2016).

In the questionnaire, the management was asked about the extent to which the foreign affiliate companies make decisions independently. In regard of this variable 11 questions were inquired, addressing activities in "Investment", "Human Resource Management", "Marketing" and "Sales and Procurement".
Again, a 7-point Likert-scale was used in order to quantify the answers. In this context, the lowest score of 1 indicated "not at all", hence that all of the decisions in question are taken

centrally in the home country. Whereas the highest score of 7 indicated “to a very great extent”, and thus all the decisions in question are taken by the agent in the foreign country.

For the dependent variable, the 11 questions were grouped and composited into the strategic and the organizational variable. Although Likert-scales are treated as ordinal data, the composited variable again must be labelled as interval scale. As a consequence, paramedic tests can be run and efficiency is improved (Vigderhous, 1977).

It has to be noted, that the strategic and operational decision rights had to be recoded in order to comply with the formulation of the hypothesis. As the questionnaire formulated “*To which extent does the host country subsidiary upon the following fields?*”, the scale of the dependent variables had to be reverted, as the hypotheses assume that with an increasing environmental uncertainty, the decision-rights will be allocated around the headquarters of the firm.

Accordingly, the decision rights component will be separated into the following categories:

Strategical Decision Rights

- Product and service offerings
- Research and development
- Compensation of employees

Operational Decision Rights

- Investment projects
- Financing of investment projects
- Choice of suppliers in the domestic market
- Hiring personnel in the host country
- Training of personnel in the host country
- Determination of prices in the foreign market
- Application of advertisement and sales in the host country
- Procurement of resources

4.2.3. Control Variables

As there are particular variables influencing the independent variable significantly, these shall be taken into the model as a predictor. Deriving from research done in this topic, there is reason to believe that there are other factors influencing environmental uncertainty. In international partnerships, the variables “Age”, “Size” and “CEE-experience” can have an influence on the relationship of the research question (Gillis et al., 2014; Herz et al., 2016; Josef Windsperger, 2004).

The “CEE-experience” is determined by the number of countries in the questionnaire, the company is having branches in. The respondent companies could have been operating in a total of 14 countries, according to the survey: Bulgaria, Bosnia, Croatia, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Czech Republic, Turkey, Ukraine, Hungary, and Belorussia.

The “AGE” variable quantifies the number of years the firm is operating the business in a foreign country already, hence the international experience. The questionnaire, in particular, addressed the participants business’ entry year. To quantify, the variable the difference between entry year and dispatch year of the questionnaire in absolute numbers.

“SIZE” is determined by employees working in the foreign subsidiary. There were five subgroups, namely number of employees: “up to 100”, “100 to 250”, “250 to 500”, “500-1000” and more than a thousand. The options were formulated as intervals (see 5.1. for distribution of items).

5. MAIN EMPIRICAL STUDY

In this chapter the findings of the quantitative data analysis of the main empirical study will be discussed. First the manipulation check will be described, then the main effect and the moderation analysis.

This will be achieved by applying the research and methodology mentioned in the previous chapters. First of all, an overview of the data will be given in the descriptive statistics section. In addition, reliability tests will be carried out including factor analysis of the data facilitated in the thesis. Subsequently, a correlation analysis was conducted to observe the relationship between dependent and independent variable. Eventually the multiple regression will give insight to how all the variables are correlated to each other and also, how the control variables influence the relationship of environmental uncertainty and allocation of decision rights.

5.1. DESCRIPTIVE DATA OVERVIEW

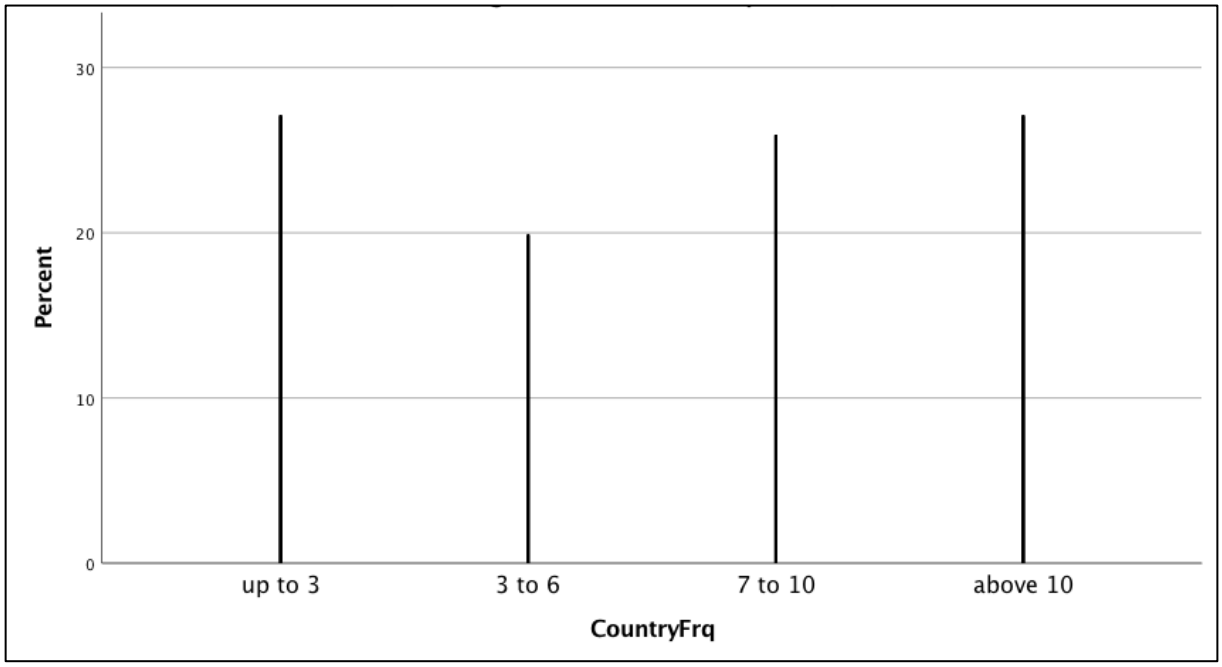
The descriptive statistics gives an overview of the data and an evaluation of the population. 168 respondents were included in the analysis. On average, the initial year of internalization was 1991, which puts forth that most of the firms are established multinational corporations. This is supported by the number of countries the respondents are doing business in, which yield 21 on average. Unfortunately, the response rate was quite low, when asked *"in how many countries are you doing business in?"*.

Table 1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Year of Internalization	157	1920	2013	1991	14.55334
Number of countries active (Overall)	130	1	168	21	28.96443
Valid N (listwise)	125				

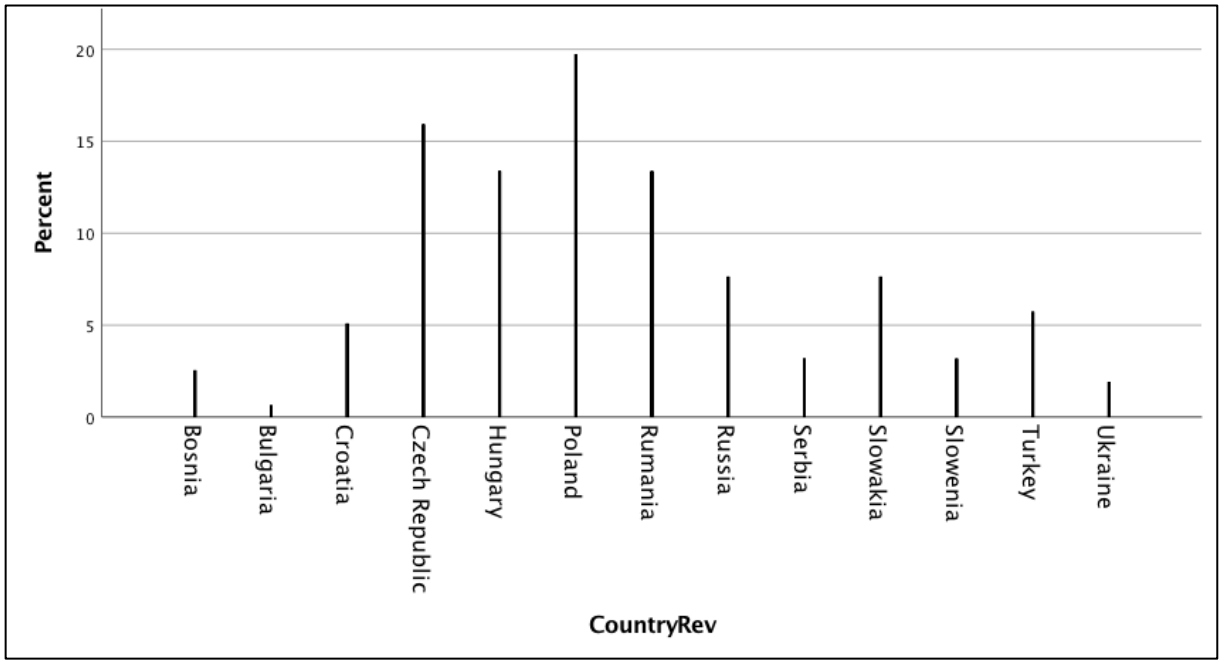
When isolating the CEE-countries, the international experience of the companies comes to show even more. Only about 27 percent of the respondents' firms are having operations in less than 3 of the countries included in the survey. In fact, the big bracket with 27 % in the chart below, is formed by the firms having branches in 10 to 14 of the countries.

Table 2: CEE-experience (According to Austrian HQ)



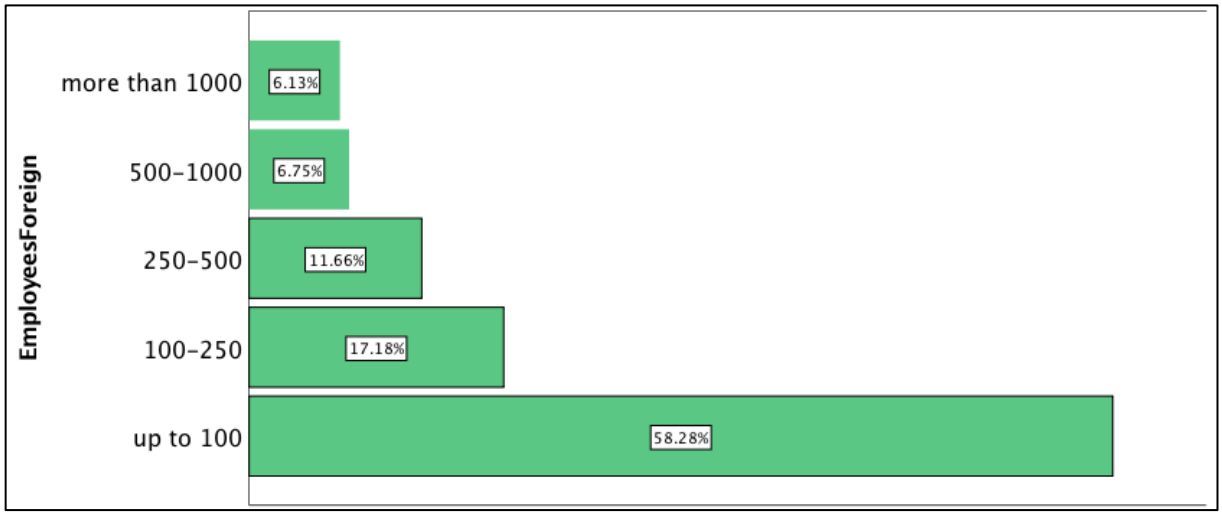
The highest revenue being made in the foreign country on average is another factor, that is sheds light on our population. However, it has to be noted that Belorussia is not included in the graph, as none of the respondent companies named the country as strongest branch. The most profitable country according to the survey is Poland with 18,5 %, followed by the firms operating in Czech Republic.

Table 3: Countries with the highest profit (According to Austrian HQ)



Another interesting fact was taken from the data is that roughly 60 percent of companies run branches in the foreign country have below 100 employees. Hence, operations in the foreign country are on average handled by very few agents. Only about 6 percent have more than 1000 staff employed in the host country.

Table 4: Employees in the host country



5.2. VALIDITY AND RELIABILITY

The constructs of the main study were backed by the existing literature in the past chapters. The independent and dependent variable were measured on 7-point Likert type scale, with 1 representing “not at all” and 7 representing “to a very great extent”.

As the scales have been checked for reliability and validity with the existing literature, in a next step it is essential to repeat the procedure before compositing the variables. The entire study was based out of Austria and had therefore be translated from English to German yet, checking for statistical reliability and validity is mandatory to further the procedure. Hence, Cronbach’s alpha (α) was facilitated to ensure the testing. In order to get the consistency in the data, the items of environmental uncertainty had to be transformed. In doing so, the items were saved from having negative relationships (i.e. negative covariance) with other values of the population, which would diminish the Cronbach’s alpha value (Field, 2013, p. 675). The following table presents the variables’ Cronbach’s alpha values and their total variance explained. In general, Cronbach’s values shall aim to be higher than 0.5, to conform with internal consistency and intercorrelation among the items in the model (Dunn et al., 2014).

Running a principal component analysis (PCA) was carried out, hence the data was reduced to a convenient size (i.e. group variables into a diminished set of composites) without having to abandon too much of the original information (Field, 2013, p. 638 f.). In preparation of the factor analysis, three perquisites had to be inspected: (1) Kaiser-Meyer-Olkin test of sampling adequacy (should yield higher values than 0.5); (2) the Barlett's test of sphericity (significance shall be reached in order to verify the intercorrelations); (3) R matrix sufficiency (with a value higher than 0.0001 multicollinearity problems can be avoided). Throughout the Cronbach's test procedure, the Kaisers criterion of Eigenvalues has to be regarded (>1, i.e. the factor explains more variance than that of one variable and shall therefore be retained). Also, the extracted factors total variance explained must be considered and the value shall not undercut the value of 0.5. Finally, the represented correlations between variables and factor or in other words, the factor loadings shall surpass a value of 0.4.

Table 5: Reliability Analysis

Construct	Nr. of items	Cronbach's Alpha (α)	Total variance explained (in%)
Cultural Uncertainty	**2**	**0.768**	**81.174 %**
Institutional Uncertainty	**3**	**0.760**	**68.272 %**
Market Uncertainty	**3**	**0.788**	**70.232 %**

There had some adaptions to be made in the reliabilities testing. The third item within Cultural Uncertainty construct had to be removed, as the total variance explained was rather low (12.551 %), the communality yielded 0.427 and the Cronbach's Alpha value could be improved after its removal.

Unfortunately, the "Strategic Decision Rights" could not yield a Cronbach's Alpha-value above 0.7. The issues with the construct of maximization tendency remained, even when omitting the items with the lowest total variance and communality.

The Cronbach's Alpha for "Operational Decision Rights" is an acceptable value above 0.7, yet the total variance explained does not yield an acceptable outcome. By excluding the items with the lowest communality, in this case item 7 with 0.507 and item 9 with 0.349, the total variance explained would have only increased by a marginal amount above the critical 0.5 threshold. However, Hair et al. (2009, p. 236) argues that the average variance that although the threshold shall be above 0.5, a value above 0.4 is acceptable. For a better understanding of the dependent variables descriptive statistics table is provided:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
SDRIGHTS	158	1.00	7.00	3.6772	1.29533
ODRIGHTS	154	1.25	7.00	3.7946	1.23195
Valid N (listwise)	152				

When running a principal factor analysis for all factors dependent and independent variable are composed of, more light is shed on the validity of the data. Environmental uncertainties' Kaiser-Meyer-Olkin value is above the threshold with 0.842, which affects the sampling adequacy positively. Bartlett's Test of Sphericity is yielding significant results for the independent variable and supports sphericity.

The communalities of the dependent variable yield results above the threshold of 0.5, with some exceptions. Most researchers deleted such variables because it may not be accounted for the factor solution. *"Small communalities show that a substantial portion of the variable's variance is not accounted for by the factors. Although no statistical guidelines indicate exactly what is "large" or "small," practical considerations dictate a lower level of .50 for communalities in this analysis."* (Hair et al., 2009, p. 347)

Item 3 of "Cultural Uncertainty" has been eliminated in the course of the Cronbach's Alpha analysis already. Nevertheless, item 4 from "Institutional and Market Uncertainty" resulted in insufficient communality values in course of the principal factor analysis and had therefore be removed.

In terms of the decision rights variable 11 items were facilitated. The Kaiser-Meyer-Olkin yielded a value of 0.798, hence sampling adequacy of the items is accomplished. Again, the Bartlett's Test is below the 5 % significance level and support the sphericity. With four Eigenvalues above the threshold of 1, the separation is justified. In the case of decision rights, none

of the items had to be excluded, as the communality scores were between 0.653 and 0,913 and hence above the threshold.

5.3. CORRELATION ANALYSIS

Eventually, the categories in "Environmental Uncertainty" and "Decision Rights" can be taken to the test in a bivariate correlation analysis. In doing so, the hypotheses formulated can be tested and the relationships can be analyzed. The Likert-scale makes the metric variables quantifiable and therefore feasible for a regression model.

Before doing so, the sampling distribution of estimates need to be checked for normal distribution. To get optimal estimates, the residuals need to be normally distributed as well. As there is no sampling distribution available, the observed data was facilitated. With the Kolmogorov-Smirnov & Shapiro-Wilk test, data is observed for differing from normal distribution, if these turn out not significant, the data is normally distributed (Hair et al., 2009, 321 f.). After running the tests, all the variables turn out to be significant, except for organizational decision rights. Accordingly, that most of the data is not normally distributed. Therefore, the Pearson Correlation Coefficient cannot be facilitated, as it can only measure a normal distributed and linear relationship between the variables. As a feasible test for non-normal and continuous distributed variables, the Spearman's rank correlation coefficient may be facilitated. Moreover, outliers can be excluded with the coefficient (Schober et al., 2018).

In the first table Cultural Uncertainty (CULTCOMP) was put into a correlation with the dependent variables (SDRIGHTS and ODRIGHTS). The categorizations of "Organizational Decision Rights" and "Strategic Decision Rights" are highly correlated with each other ($\rho = 0.684$) with a significance of the way above the level of 0.05. However, there is observable correlation between the independent and dependent constructs.

Correlations

			CULTCOMP	SDRIGHTS	ODRIGHTS
Spearman's rho	CULTCOMP	Correlation Coefficient	1.000	-.015	-.065
		Sig. (2-tailed)	.	.852	.423
		N	168	158	154
	SDRIGHTS	Correlation Coefficient	-.015	1.000	.684**
		Sig. (2-tailed)	.852	.	.000
		N	158	158	152
	ODRIGHTS	Correlation Coefficient	-.065	.684**	1.000
		Sig. (2-tailed)	.423	.000	.
		N	154	152	154

**. Correlation is significant at the 0.01 level (2-tailed).

When comparing the institutional uncertainty (INSTCOMP) with the dependent variables, the outcomes show a similar correlation. Again, the independent construct is not significantly correlating with organizational and strategic decision rights. Yet, the organizational and strategical decision rights show a moderate correlation.

Correlations

			INSTCOMP	SDRIGHTS	ODRIGHTS
Spearman's rho	INSTCOMP	Correlation Coefficient	1.000	.091	.019
		Sig. (2-tailed)	.	.257	.815
		N	167	158	154
	SDRIGHTS	Correlation Coefficient	.091	1.000	.684**
		Sig. (2-tailed)	.257	.	.000
		N	158	158	152
	ODRIGHTS	Correlation Coefficient	.019	.684**	1.000
		Sig. (2-tailed)	.815	.000	.
		N	154	152	154

**. Correlation is significant at the 0.01 level (2-tailed).

The third and last Spearman's Correlation Coefficient was run with "Market Uncertainty" as independent variable. There is no assumptions to be made upon the results there are no correlations to be to be observed between independent and dependent variables.

Correlations

			MARKCOMP	SDRIGHTS	ODRIGHTS
Spearman's rho	MARKCOMP	Correlation Coefficient	1.000	-.072	-.064
		Sig. (2-tailed)	.	.370	.432
		N	167	158	154
	SDRIGHTS	Correlation Coefficient	-.072	1.000	.684**
		Sig. (2-tailed)	.370	.	.000
		N	158	158	152
	ODRIGHTS	Correlation Coefficient	-.064	.684**	1.000
		Sig. (2-tailed)	.432	.000	.
		N	154	152	154

**. Correlation is significant at the 0.01 level (2-tailed).

5.4. MULTIPLE REGRESSION ANALYSIS

As the correlations between the independent (CULTCOMP, INSTCOMP, MARKCOMP) and dependent variables (ODRIGHTS, SDRIGHTS) have been executed in the previous section already, the control variables of "SIZE", "AGE" and "CEE-experience" are included. In order to determine the possible predictor effects, the Multiple Regression Analysis was carried out. The variables are continuous, yet most of them are not normally distributed as the Kolmogorov-Smirnov & Shapiro-Wilk test showed. Clauset et al. (2009) argued that regression can be facilitated if the sample size is adequate.

Generally, the multiple regression facilitates the smallest number of predictors to explain the dependent variable. Only variables with the significant influence on the dependent variable will be taken into the model, all the abundant variables will be excluded as they do not add to the outcome (Carlson & Winquist, 2013). Furthermore, the analysis requires tests on auto-correlation and multicollinearity, which will be executed in turn of the Multiple Regression Analysis. By adding controls to the model, the linear regression equation is expanded. In the analysis, the influence can be controlled by simply adding the predictors to the model. Hence, the equation will be arranged the following way (Hair et al., 2009, p. 211):

Y = b0 + b1X1 + b2X2 + b3X1X2

where

b0 = intercept
b1X1 = linear effect of X1
b2X2 = linear effect of X2
b3X1X2 = control effect of X2 on X1

5.4.1. Model H1a

SDRIGHTS = b0 + b1*CULTCOMP + b2*SIZE + b3*AGE + b4* CEE experience

The R^2-value only very little of the total variation of the dependent variable can be explained (SDRIGHTS) by the independent variable (CULTCOMP). When looking at the ANOVA-table, the regression model does not significantly predict the outcome variable and is hence not a good fit for the model. The coefficients yield no significant results and therefore a regression equation cannot be derived.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.144[a]	.021	.000	1.31130
2	.148[b]	.022	-.005	1.31496

a. Predictors: (Constant), CEE experience, SIZE, AGE

b. Predictors: (Constant), CEE experience, SIZE, AGE, CULTCOMP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.263	3	1.754	1.020	.386[b]
	Residual	249.329	145	1.720		
	Total	254.592	148			
2	Regression	5.597	4	1.399	.809	.521[c]
	Residual	248.995	144	1.729		
	Total	254.592	148			

a. Dependent Variable: SDRIGHTS

b. Predictors: (Constant), CEE experience, SIZE, AGE

c. Predictors: (Constant), CEE experience, SIZE, AGE, CULTCOMP

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.763	.282		13.341	.000
	SIZE	-.150	.090	-.139	-1.674	.096
	AGE	.005	.008	.052	.603	.547
	CEE experience	.005	.026	.015	.176	.861
2	(Constant)	3.930	.474		8.293	.000
	SIZE	-.157	.091	-.145	-1.718	.088
	AGE	.005	.008	.053	.612	.542
	CEE experience	.006	.026	.019	.216	.829
	CULTCOMP	-.041	.092	-.037	-.440	.661

a. Dependent Variable: SDRIGHTS

5.4.2. Model H1b

ODRIGHTS = b0 + b1*CULTCOMP + b2*SIZE + b3*AGE + b4* CEE experience

By using the hierarchical regression analysis, multicollinearity needs to be eliminated. The variables show a relatively high collinearity with values above 1. By using the Durbin Watson test for the independence of errors and the case of this equation, the result of 1.871 was applicable. Hence, the residuals of errors were independent and uncorrelated. The F-value of the ANOVA suggests that model 1 is better in predicting the outcome variable. What is more, the cultural uncertainty variable is not significant and therefore dropped from the model.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.179[a]	.032	.012	1.25254
2	.186[b]	.034	.007	1.25552

a. Predictors: (Constant), CEE experience, SIZE, AGE

b. Predictors: (Constant), CEE experience, SIZE, AGE, CULTCOMP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.412	3	2.471	1.575	.198[b]
	Residual	222.778	142	1.569		
	Total	230.189	145			
2	Regression	7.928	4	1.982	1.257	.290[c]
	Residual	222.261	141	1.576		
	Total	230.189	145			

a. Dependent Variable: ODRIGHTS

b. Predictors: (Constant), CEE experience, SIZE, AGE

c. Predictors: (Constant), CEE experience, SIZE, AGE, CULTCOMP

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.043	.271		14.898	.000
	SIZE	-.184	.085	-.182	-2.173	.031
	AGE	.001	.008	.013	.152	.880
	CEE experience	.007	.025	.025	.287	.775
2	(Constant)	4.254	.457		9.298	.000
	SIZE	-.193	.086	-.191	-2.235	.027
	AGE	.001	.008	.015	.174	.862
	CEE experience	.008	.025	.029	.326	.745
	CULTCOMP	-.051	.089	-.048	-.572	.568

a. Dependent Variable: ODRIGHTS

5.4.3. Model H2a

SDRIGHTS = b0 + b1*INSTCOMP + b2*SIZE + b3*AGE + b4* CEE experience

By adding the control variables of SIZE, AGE and CEE-experience to the model the R^2 only makes negligible improvements, in model 2 only 2.3 % of the variation of the dependent variable can be explained by the independent variable. The multicollinearity of all the variables exceed the value of one, Bowerman & O'Connell (2000, p. 578) suggest that multicollinearity might in that case be biasing the regression model. The Durbin-Watson test yields a value of 1.856, which suggests that the assumption of independent errors is tolerable (Field, 2009, p. 243 f.) .The ANOVA-table does not significantly contribute to either model one or two. The F-value can be disregarded due to its non-significance. When looking at the coefficients, if statistically significant, the predictor SIZE would negatively impact the mean of the dependent variable. However, the model one and two do not yield statistically significant results.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.144[a]	.021	.000	1.31130
2	.152[b]	.023	-.004	1.31425

a. Predictors: (Constant), CEE experience, SIZE, AGE

b. Predictors: (Constant), CEE experience, SIZE, AGE, INSTCOMP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.263	3	1.754	1.020	.386[b]
	Residual	249.329	145	1.720		
	Total	254.592	148			
2	Regression	5.869	4	1.467	.850	.496[c]
	Residual	248.723	144	1.727		
	Total	254.592	148			

a. Dependent Variable: SDRIGHTS

b. Predictors: (Constant), CEE experience, SIZE, AGE

c. Predictors: (Constant), CEE experience, SIZE, AGE, INSTCOMP

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	3.763	.282		13.341	.000
	SIZE	-.150	.090	-.139	-1.674	.096
	AGE	.005	.008	.052	.603	.547
	CEE experience	.005	.026	.015	.176	.861
2	(Constant)	3.571	.430		8.295	.000
	SIZE	-.144	.091	-.133	-1.583	.116
	AGE	.005	.008	.053	.605	.546
	CEE experience	.005	.026	.016	.182	.856
	INSTCOMP	.056	.095	.049	.593	.554

a. Dependent Variable: SDRIGHTS

5.4.4. Model H2b

ODRIGHTS = b0 + b1*INSTCOMP + b2*SIZE + b3*AGE + b4* CEE experience

In the regression of the Hypothesis H2b, the multicollinearity is >1, but the residuals test is independent and uncorrelated according to the Durbin Watson. The control variables are significantly contributing to the model. When observing the R-square, both models are showing roughly the value of 0.033, hence explaining 7.6 % of the variance. As both models yield the same result, Institutional Uncertainty does not add up to the variance. The correlation table displays the insignificance of institutional uncertainty. As a result, the factor is dropped from the model and no longer relevant for its added value.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.179[a]	.032	.012	1.25254
2	.181[b]	.033	.005	1.25672

a. Predictors: (Constant), CEE experience, SIZE, AGE

b. Predictors: (Constant), CEE experience, SIZE, AGE, INSTCOMP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.412	3	2.471	1.575	.198[b]
	Residual	222.778	142	1.569		
	Total	230.189	145			
2	Regression	7.502	4	1.875	1.188	.319[c]
	Residual	222.687	141	1.579		
	Total	230.189	145			

a. Dependent Variable: ODRIGHTS

b. Predictors: (Constant), CEE experience, SIZE, AGE

c. Predictors: (Constant), CEE experience, SIZE, AGE, INSTCOMP

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.043	.271		14.898	.000
	SIZE	-.184	.085	-.182	-2.173	.031
	AGE	.001	.008	.013	.152	.880
	CEE experience	.007	.025	.025	.287	.775
2	(Constant)	4.121	.424		9.727	.000
	SIZE	-.187	.086	-.185	-2.177	.031
	AGE	.001	.008	.014	.154	.878
	CEE experience	.007	.025	.024	.275	.784
	INSTCOMP	-.022	.093	-.020	-.239	.811

a. Dependent Variable: ODRIGHTS

5.4.5. Model H3a

SDRIGHTS = b0 + b1*MARKCOMP + b2*SIZE + b3*AGE + b4* CEE experience

The multicollinearity values all revolve around the value of one, which suggests the regression might be biased by that. However, the Durbin-Watson value yields a reliable result, hence autocorrelation can be eliminated. The model summary reveals that the Market Uncertainty and the control variables explain 3.2 % of the total strategical decision rights variation. The ANOVA-table shows f-values of 1.02 and 1.192 respectively for model one and for model 2, yet the significance-level is >0.05 and therefore the null hypothesis cannot be rejected. In the coefficients table SIZE and the market uncertainty are both negatively influencing the dependent variable, yet the results are not statistically significant.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.144[a]	.021	.000	1.31130
2	.179[b]	.032	.005	1.30818

a. Predictors: (Constant), CEE experience, SIZE, AGE

b. Predictors: (Constant), CEE experience, SIZE, AGE, MARKCOMP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.263	3	1.754	1.020	.386[b]
	Residual	249.329	145	1.720		
	Total	254.592	148			
2	Regression	8.160	4	2.040	1.192	.317[c]
	Residual	246.433	144	1.711		
	Total	254.592	148			

a. Dependent Variable: SDRIGHTS

b. Predictors: (Constant), CEE experience, SIZE, AGE

c. Predictors: (Constant), CEE experience, SIZE, AGE, MARKCOMP

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.763	.282		13.341	.000
	SIZE	-.150	.090	-.139	-1.674	.096
	AGE	.005	.008	.052	.603	.547
	CEE experience	.005	.026	.015	.176	.861
2	(Constant)	4.270	.481		8.881	.000
	SIZE	-.163	.090	-.151	-1.809	.072
	AGE	.007	.008	.075	.845	.400
	CEE experience	-.001	.027	-.002	-.019	.984
	MARKCOMP	-.127	.097	-.110	-1.301	.195

a. Dependent Variable: SDRIGHTS

5.4.6. Model H3b

ODRIGHTS = b0 + b1*INSTCOMP + b2*SIZE + b3*AGE + b4* CEE experience

For the influence of market uncertainty, following results can be interpreted:

Both models are significant as the ANOVA-table reveals. Multicollinearity is fairly high among the variables, though the autocorrelation yields acceptable results. Model 1 explains 3.2 % of variance and Model 2, with the independent factor included, contributes another 0.8 % to the outcome. The F-test results support model 1. The market uncertainty' p value is above the 0.05 threshold, thus is irrelevant for the model.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.179[a]	.032	.012	1.25254
2	.200[b]	.040	.013	1.25198

a. Predictors: (Constant), CEE experience, SIZE, AGE

b. Predictors: (Constant), CEE experience, SIZE, AGE, MARKCOMP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.412	3	2.471	1.575	.198[b]
	Residual	222.778	142	1.569		
	Total	230.189	145			
2	Regression	9.180	4	2.295	1.464	.216[c]
	Residual	221.010	141	1.567		
	Total	230.189	145			

a. Dependent Variable: ODRIGHTS

b. Predictors: (Constant), CEE experience, SIZE, AGE

c. Predictors: (Constant), CEE experience, SIZE, AGE, MARKCOMP

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	4.043	.271		14.898	.000
	SIZE	-.184	.085	-.182	-2.173	.031
	AGE	.001	.008	.013	.152	.880
	CEE experience	.007	.025	.025	.287	.775
2	(Constant)	4.442	.463		9.587	.000
	SIZE	-.197	.085	-.194	-2.300	.023
	AGE	.003	.008	.034	.378	.706
	CEE experience	.003	.025	.011	.121	.904
	MARKCOMP	-.100	.094	-.091	-1.062	.290

a. Dependent Variable: ODRIGHTS

5.5. MODEL SUMMARY

For the model summary a Binary Logistic Regression was run. As the regression results could in 6.1. could not yield significant results, the dependent variables were coded into dichotomous variables. The variables of strategical decision rights and operational decision rights were originally acquired in a 7-Point-Likert-Scale scheme. Therefore, the scales had to be recoded, namely all values up to 3.5 of the constructs received a zero-coding, whereas all values above 3.5 were coded with a value of one.

5.5.1. Binary Regression Model for Strategical Decision Rights

The Omnibus Tests of Model Coefficients show a Chi-Square value of 2.314, 6 degrees of freedom and a significance below the 0.05 level with 0.899:

$\chi 2 = (5, N = 149) = 2.314, p>0.05$

The classification table 53 percent classification in accuracy, which yields an improvement over Block 1 of the Binary Logistic Regression (Hair et al., 2009, p. 321). Whereas the "Percentage Correct" column shows the accuracy in percent for the SDRIGHTS dichotomous variable.

The model summary shows that between 1.5 percent and 2.1 percent of the variance of the dependent variable is explained by the independent variable. The Hosmer and Lemeshow Test

is a fit of model by using non-significance ($p>0.05$) as a model of fit. For strategical decision rights as dependent variable the test show an insignificant result of 0.16.

The variables in the equation show that none of the variables in the model yields significant results ($p<0.05$). Hence, the variables do not seem to predict the model. The Odds-Ratio (Exp(B)) reflects the changing odds for every predictor variable and is highest for AGE and INSTCOMP. The confidence interval of the odds is between zero and one for all the variables, hence the odds would be accurate. The Casewise List did not detect any outliers in the data.

Table 6: Model 1 with SDRIGHTS as dependent variable

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B) Lower	Upper
Step 1[a]	SIZE	-.153	.139	1.215	1	.270	.858	.653	1.127
	AGE	.000	.012	.001	1	.970	1.000	.976	1.023
	CEE experience	.003	.040	.006	1	.938	1.003	.927	1.085
	Constant	.308	.432	.506	1	.477	1.360		

a. Variable(s) entered on step 1: SIZE, AGE, CEE experience.

Table 7: Model 2 with SDRIGHTS as dependent variable

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B) Lower	Upper
Step 1[a]	SIZE	-.158	.141	1.260	1	.262	.854	.648	1.125
	AGE	.002	.012	.023	1	.880	1.002	.978	1.026
	CEE experience	-.001	.041	.000	1	.989	.999	.922	1.084
	CULTCOMP	-.050	.182	.076	1	.783	.951	.665	1.359
	INSTCOMP	.142	.188	.571	1	.450	1.153	.797	1.668
	MARKCOMP	-.134	.163	.682	1	.409	.874	.635	1.203
	Constant	.566	.853	.441	1	.507	1.761		

a. Variable(s) entered on step 1: SIZE, AGE, CEE experience, CULTCOMP, INSTCOMP, MARKCOMP.

5.5.2. Binary Regression Model for Operational Decision Rights

In the case of the ODRIGHTS variable the Chi-Square of the Omnibus Test of Model Coefficients yields a value of 8.330. With 6 degrees of freedom the p-value of 0.215 significance could not be fulfilled ($p<0.05$). The classification table shows 66.4 percent accuracy and an improvement with the integration of predictors.

Between 5.5 percent and 7.4 percent of variance of the dependent variable could be explained by the predictors, as the model summary reveals. The Hosmer and Lemeshow Test yields an insignificant result of 0.411. The Variables in the Equation show no significant results. The confidence interval of the odds is low and therefore Exp(B) expected to be accurate. There were no cases excluded from the model.

Table 8: Model 1 with ODRIGHTS as dependent variable

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B) Lower	Upper
Step 1[a]	SIZE	-.224	.138	2.621	1	.105	.799	.609	1.048
	AGE	-.012	.012	.966	1	.326	.988	.964	1.012
	CEE experience	.050	.042	1.425	1	.233	1.051	.969	1.140
	Constant	.627	.442	2.019	1	.155	1.873		

a. Variable(s) entered on step 1: SIZE, AGE, CEE experience.

Table 9: Model 2 with ODRIGHTS as dependent variable

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B) Lower	Upper
Step 1[a]	SIZE	-.252	.144	3.073	1	.080	.777	.586	1.030
	AGE	-.012	.013	.943	1	.332	.988	.963	1.013
	CEE experience	.064	.043	2.140	1	.143	1.066	.979	1.160
	CULTCOMP	-.371	.190	3.817	1	.051	.690	.476	1.001
	INSTCOMP	.246	.199	1.522	1	.217	1.279	.865	1.891
	MARKCOMP	.050	.168	.090	1	.764	1.052	.757	1.461
	Constant	1.123	.894	1.579	1	.209	3.075		

a. Variable(s) entered on step 1: SIZE, AGE, CEE experience, CULTCOMP, INSTCOMP, MARKCOMP.

To sum up, the data does not support the influence of environmental uncertainty on decision rights upon the categorizations and the measurement methods being used. The following table will give a comprehensive outline over the results:

H1a *The higher cultural uncertainty in the host country, the more strategical decisions will be allocated to the headquarters.*	**Not supported**
H1b *The higher cultural uncertainty in the host country, the more operational decisions will be allocated to the headquarters.*	**Not supported**
H2a *The higher institutional uncertainty in the host country, the more strategical decisions will be allocated to the headquarters.*	**Not supported**
H2b *The higher institutional uncertainty in the host country, the more operational decisions will be allocated to the headquarters.*	**Not supported**
H3a *The higher market uncertainty in the host country, the more strategical decisions will be allocated to the headquarters.*	**Not supported**
H3b *The higher market uncertainty in the host country, the more operational decisions will be allocated to the headquarters.*	**Not supported**

6. LIMITATIONS AND DIRECTIONS FOR FURTHER RESEARCH

This thesis can only give limited insight to how environmental uncertainty influences the allocation of decision rights, although the categorization of variables has brought ways of analyzing the relationship from another angle. With making remarks to the research question this section concludes the analysis from the prior chapters. It gives insight to the limitations of the study and directions for future research.

The categorization of environmental uncertainty in this work might have posed a problem, as Downey et al. (1975) are questioning uncertainty subscales to be meaningful. Furthermore, the categorization itself might be inefficient, as many authors propose other ways of doing so (Arieftiara et al., 2017; Duncan, 1972a; Lawrence & Lorsch, 1969, p. 34). This may not only be true for environmental uncertainty, but for decision rights as well. Surprisingly, strategical and organizational decision rights were not affected differently in their categorizations. Although the former contains the most likely items centralized decision making, whereas the latter holds decisions that can be outsourced more easily. Prior research has not categorized decision rights but rather facilitated the frequency (Turner & Henry, 1994). The market-orientation approach of (Berndt et al., 2016) might have not been applicable to the data that this thesis used. What is more, the decision-rights categorization was done as proposed by Mumdžiev & Windsperger (2011), although the outputs might have yielded different results if variables were divided similarly to Porter's value chain concept (Porter, 2011, p. 134). Nevertheless, the questionnaire-categories reflected Porter.

Freel (2005) argues that uncertainty perceptions as cause of allocation of decision rights cannot be unambiguously done in cross-sectional data. In the case of hypotheses formulation, the environmental uncertainty factors could have been phrased differently. In general, uncertainty forces agents to be very flexible in information processing (Gibbons, 2005; Gulati et al., 2005; Herbert A. Simon, 1951; Williamson, 1991). Opposed to the formulation of assumed relationships between dependent and independent factor, some authors suggest that environmental uncertainty causes lower control modes and more decentralized decision making (Erramilli & Rao, 1993a; Hippmann & Windsperger, 2013; Klein et al., 1990).

As the relationship could not be confirmed in this study, Weed (1980) argues that the effect is vice versa, the structure of tasks having an impact on environmental uncertainty.

Authors also emphasize that technological changes pose the most uncertainty in a business environment (Allen & Helms, 2006; Conant et al., 1990; Tan et al., 2009).Yet, among the different uncertainty categorizations (H1b, H2b, H3b) none of them could yield significant results, although literature suggest that all of them effect decision rights differently. Ryu et al. (2008) also mentioned that vertical control might not be applicable to market volatility and uncertainty, which would explain part of the insignificant relationships in this study. Uncertain business environments tend to be decentralized, i.e. they are more willing to delegate decision making rights to subsidiaries due to the demand for specific knowledge for decision making, as argued by Liu et al. (2018).

In terms of only facilitating CEE-countries for the study might have influence on the general conception of decision-rights allocation. Although developing countries include features like cost efficiency, their environments are fundamentally different and riskier than those in developed countries (Bandyopadhyay, 2001). Present factors in developing economies are lack of stability, government resources, infrastructure, essential resources and demand features (Baack & Boggs, 2008). As cross-national research and consistency in the data is very important in Western nations, the notion of environmental uncertainty as such may be interpreted differently by an emerging nation (Köseoglu et al., 2013). Arieftiara et al. (2017) also mentions that governments must enable regulations to support companies, which was covered by hypotheses H3a and H3b. Colombo & Delmastro (2004)show that with complexity and size of organizations, the urgency of decisions and the use of advanced communication technologies are positively linked to the degree of decentralization. This study could not clear the relationship assumed, yet the relationship between institutional environment and allocation of decision rights is an interesting field to be reflected by future research.

This thesis suggests that firms involved in the research tend to the adaptation view. In particular, that greater environmental uncertainty requires more adaptability and thus more local information processing capacity through delegated coordination tasks to the local agents. When environmental uncertainty is high, companies tend to choose a lower level of control maintain flexibility in order to be able to react to environmental changes (Erramilli & Rao, 1993a; Gibbons, 2005; Gulati et al., 2005; Hippmann & Windsperger, 2013; Klein et al., 1990; Herbert Alexander Simon, 1976, p. 121-122; Williamson, 1991).

Additional limitations to this thesis could be the questionnaire it was based upon. It did not only address environmental uncertainty and decision rights, but also other topics. The respondents

might have answered differently, if the questions would have been narrowed down to topics relevant for this thesis. Furthermore, the number of items per category was not ideal with two or three. The Operational Decision Rights category with a total of eight items, was most reliant for testing.

Nevertheless, it remains unknown which other factors would have influenced the relationship of dependent and independent variable. Some of the factors that would have been likely to be included in the regression. had to be omitted. In some cases, respondents could indicate multiple selection, which disqualifies those answers from the regression analysis. An isolation of two industry sectors on the other hand would have made the data eligible for further analysis.

7. CONCLUSION

The allocation and structure of decision rights between the headquarters and its international subsidiaries and agents is an important determinant in optimizing the internationalization process. In multinational corporations in particular the management will deem ways to allocate decision rights ideally, to be ahead of its competition. The goals and objectives are depending on the prospects of perfect decision allocation, as it is ingrained in corporate strategy. Hence, this thesis exposes the allocation when facing environmental uncertainty, which often hinders multinational corporations.

In presenting the existing literature and performing an empirical study between the two variables, there is more information to be drawn from this relationship. With the reflection of the limitations of this study, the relationship of decision rights being allocated to the headquarters when facing environmental uncertainty, could not be confirmed. Yet, the categorization of the independent and dependent variable could contribute approaches for future research. This was done by observing how decision-rights are influenced by cultural, institutional and market-related factors of uncertainty.

With the categories implemented and derived from the questionnaire and literature, the study was able to identify differences in the categories implemented. Updating the literature in this field and basing the data upon it gave way for more in depth-research.

As a consequence, this study provides opportunities for future research and analysis. The main subjective of explaining the relationship between environmental uncertainty and allocation of

decision-rights could not be met. Yet, the environmental uncertainty definitely was found to be a variable that respondents were very reluctant to. Furthermore, some avoided to answer the questions regarding uncertainty completely. This thesis fails in explaining uncertainty factors and their relation to the allocation of decision rights, but the market orientation mentioned in the literature could give way for future research.

The allocation of decision rights on the other hand is influenced by many factors and therefore might need a review of categorizations. The spectrum remains interesting with both factors remaining organizational theory for multinational corporations in particular.

However, the separation of organizational and strategical decision rights turned out to be consistent with the research. The differentiation is legitimate, as there are some decisions that will always remain with the headquarters e.g. protection of intellectual rights. The uncertainty on the other hand, could not contribute to this study and remains a factor that is hard to measure reliably.

There are some recommendations for future research to be made. The uncertainty factors give way for future research, as there are no widely accepted measures for using these empirically. Furthermore, this thesis suggests that a decentralization of decision rights might be more likely in the advent of uncertainty.

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9. APPENDIX

Questionnaire

A. Allgemeine Angaben zu Ihrem Unternehmen:

In welchem Land wurde Ihr Unternehmen gegründet?

☐ Österreich ☐ in einem anderen Land _____

Wann wurde Ihr Unternehmen gegründet? Jahr_____

In welcher Industrie sind Sie tätig?

☐ Agrar- und Forstwirtschaft
☐ Automotive
☐ Banken und Versicherungen
☐ Bau und Infrastruktur
☐ Beratung und Engineering
☐ Bildung
☐ Chemie
☐ Elektrotechnik und Elektronik
☐ Energiewirtschaft und Naturressourcen
☐ Erneuerbaren Energien
☐ Gesundheit und Medizintechnik
☐ Holz und Papier
☐ Informations- und Kommunikationstechnologien
☐ Inneneinrichtung
☐ Konsumgüter und Lifestyle
☐ Kreativwirtschaft
☐ Kunststoffe
☐ Life Science und Pharma
☐ Maschinen und Anlagenbau
☐ Metalle und Metallverarbeitung
☐ Mode und Textilien
☐ Nahrungsmittel und Getränke
☐ Neue Materialien und Technologien
☐ Sicherheit
☐ Tourismus, Sport und Freizeit
☐ Transport und Logistik
☐ Umwelttechnologie
☐ Verpackung und Druck

In welchem Land befindet sich das Headquarter der Unternehmung?

☐ Österreich ☐ in einem anderen Land _____

In welchem/n der folgenden CEE-Länder sind Sie tätig?

☐ Bulgarien ☐ Bosnien-Herzegowina ☐ Kroatien ☐ Polen ☐ Rumänien
☐ Russland ☐ Serbien ☐ Slowakei ☐ Slowenien ☐ Tschechien ☐ Türkei
☐ Ukraine ☐ Ungarn ☐ Weißrussland

Falls Sie in **mehreren** der oben angeführten CEE-Länder tätig sind, geben Sie jenes Land, wo Sie den größten UMSATZ erzielen.

LAND:_____

Bitte beachten Sie bei der Beantwortung der folgenden Fragen:
-Falls Sie in einem der oben angeführten Länder tätig sind, wird dieses Land weiter als **GASTLAND** bezeichnet.
-Falls Sie in mehreren der oben angeführten Länder tätig sind, wird jenes Land, wo Sie den größten Umsatz erzielen, weiter als **GASTLAND** bezeichnet.

In welchem Jahr sind Sie im **GASTLAND** eingetreten? Jahr _____

Bei Ihrer internationalen Geschäftstätigkeit im GASTLAND handelt es sich um:

☐ Eigene Tochtergesellschaft (mit 100 %-Kapitalbeteiligung)

☐ Mehrheitsbeteiligung am ausländischen Partnerunternehmen (mit > 50 %)

☐ Minderheitsbeteiligung am ausländischen Partnerunternehmen (mit < 50 %)

☐ Joint Venture mit einem ausländischen Partner

Falls es sich um ein Joint Venture handelt, wie hoch ist Ihre Kapitalbeteiligung (%)?_____

☐ Ausländisches Partnerunternehmen ohne Kapitalbeteiligung der österreichischen Mutterunternehmung

Alle erhobenen Daten werden streng vertraulich behandelt und nur in aggregierter Form verwendet.

Welche Markteintrittsform verwenden Sie im GASTLAND? ***(bitte kreuzen Sie nur 1 Eintrittsform an!)***

☐ Export ohne Einschaltung eines Zwischenhändlers

☐ Export mit Einschaltung eines Zwischenhändlers im Heimatland oder GASTLAND

☐ Eigene Tochterunternehmung im GASTLAND (Produktion und/oder Verkauf)

☐ Joint Venture mit ausländischem Partner

☐ Franchisepartner im GASTLAND

☐ Lizenzpartner im GASTLAND

☐ andere Markteintrittsform: Welche?_____

B. Spezifische Fragen zur Wahl der Markteintrittsform

Nehmen Sie bitte zur Wettbewerbsstärke Ihres Unternehmens (aus Headquarter-Sicht) Stellung:	**1- Trifft überhaupt nicht zu**	**Trifft teilweise zu**	**7-Trifft vollständig zu**
Unser Knowhow ist sehr stark im Vergleich zu unseren Konkurrenten.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Die Qualität unserer Produkte/Dienstleistungen hat einen sehr guten Ruf.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Unser Produkt- und Prozess-Knowhow ist schwer imitierbar.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Unser Unternehmen ist sehr anerkannt im Vergleich zu unseren Konkurrenten.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Unser Markenname ist sehr wichtig, um einen Wettbewerbsvorteil zu erzielen.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Wie wichtig sind die folgenden Kompetenzen der Mutterunternehmung für die Erzielung von Wettbewerbsvorteilen?	**1- unwichtig**		**7- sehr wichtig**
Managementkompetenzen (zB Personalpolitik, operatives Management)	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Organisatorische Fähigkeiten (zB multikulturelles Management, Informationsmanangement)	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Kundenkompetenz (zB Marketing, Werbung, Verkaufsförderung, Preisgestaltung)	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Internationale Marktkompetenz (zB lokales Marktwissen und institutionelles Wissen)	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Innovationskompetenz (zB Produkt- und Prozessinnovationen)	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Produkt- und Dienstleistungskompetenz (zB Qualität und Design)	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Nehmen Sie bitte aus Ihrer Sicht (als Headquarter) zu folgenden Aussagen Stellung: ***Es ist schwierig,…***	**1-Trifft überhaupt nicht zu**	**Trifft teilweise zu**	**7-Trifft vollständig zu**
…die Kompetenzen und Fähigkeiten des ausländischen Partners zu ermitteln.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
… die Einhaltung unserer Qualitätsstandards auf dem ausländischen Market zu überwachen.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
… den Missbrauch von zentralem Knowhow durch ausländische Partner zu überwachen.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
… die Leistung des ausländischen Partners zu bewerten.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐

Bitte bewerten Sie die Umweltbedingungen auf dem ausländischen Markt. ***Auf dem ausländischen Markt….***	**1-Trifft überhaupt nicht zu**	**Trifft teilweise zu**	**7-Trifft vollständig zu**
…sind die kulturellen Unterschiede sehr hoch, wie zB Normen, Werte und Gewohnheiten (verglichen mit dem Heimatland).	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
… sind die Geschäftspraktiken sehr unterschiedlich (verglichen mit dem Heimatland).	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
… sind die Sprachbarrieren sehr hoch.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
… ist der rechtliche Schutz von geistigem Eigentum wie Patente und Marken mangelhaft.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
…ist das politische Umfeld ziemlich unsicher.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
…ist das Risiko durch Eigentumsbeschränkungen hoch.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
…ist die Qualität der Infrastruktur unterentwickelt, wie zB Straßen, Kommunikations- und Informationstechnologien.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
…variiert die Nachfrage der Kunden stark.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
…ist die Umsatzentwicklung nicht leicht vorhersehbar.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
…sind die Marktanteile ziemlich instabil.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
…ist die Anzahl der Wettbewerber hoch.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐

Wie groß ist der KNOW-HOW-Vorteil der Mutterunternehmung im Vergleich zum ausländischen Partnerunternehmen auf folgenden Bereichen?	**Sehr großer KNOW-HOW Vorteil der MUTTERUNTER-NEHMUNG**		**Sehr großer KNOW-HOW Vorteil des ausländischen PARTNERS**
Produktion und Logistik	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Produktdesign	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Personalrekrutierung im Gastland	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Personalaus-/weiterbildung	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Organisationsdesign und -entwicklung	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Lokale Serviceleistungen	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Vertrieb im Gastland	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Strategiebildung	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Lokales Marktwissen	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Marketing (Verkaufsförderung, Werbung)	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Beschaffung der Betriebsmittel/Vorprodukte	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Produkt- und Prozessinnovationen	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Preisgestaltung	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Qualitätsmanagement	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Unternehmensplanung	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Interkulturelles Management	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Finanzierung von Projekten	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Institutionelles Wissen (rechtliche, politische Faktoren, Regulierung im Gastland)	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Controlling	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Lokale Serviceleistungen	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐

Nehmen Sie bitte Stellung zur lokalen Anpassung Ihrer Produkte/Dienstleistungen an die Gegebenheiten im GASTLAND.	**1-Trifft überhaupt nicht zu**	**Trifft teilweise zu**	**7-Trifft vollständig zu**
Wir passen die Produkte/Dienstleistungen an die lokalen Gegebenheiten an.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Wir passen die Markenidentität an die lokalen Gegebenheiten an.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Wir passen die Marketingstrategien (zB Promotion, Werbung) an die lokalen Gegebenheiten an.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Wir passen die Preisstrategie an die lokalen Gegebenheiten an.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Wir passen die operativen Strategien (zB Qualitäts-kontrolle, Schulung) an die lokalen Gegebenheiten an.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Bitte bewerten Sie den Ressourceneinsatz der Mutterunternehmung im Gastland. ***Die Investitionen unserer Zentrale in…***	**1-Trifft überhaupt nicht zu**	**Trifft teilweise zu**	**7-Trifft Vollständig zu**
…Personalressourcen, die sich um den ausländischen Partner kümmern, sind sehr hoch.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
… Werbung, Promotion und Verkaufsförderung, die die Aktivitäten unserer ausländischen Partner unterstützt, sind sehr hoch.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
… spezielle, auf unserem ausländischen Partner zugeschnittene Verfahren und Systeme, sind sehr hoch.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
…Ausbildung und Qualifikation unseres ausländischen Partners sind sehr hoch.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
In welchem Ausmaß entscheidet die ausländische Partnerunternehmung über folgende Bereiche?	**1-Überhaupt nicht**	**teilweise**	**7-In sehr großem Ausmaß**
Durchführung von Investitionsprojekten im Gastland	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Finanzierung von Investitionsprojekten im Gastland	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Auswahl von Lieferanten auf dem ausländischen Markt	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Anstellung von Mitarbeitern im Gastland	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Ausbildung der Mitarbeiter im Gastland	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Produkt- bzw. Dienstleistungsangebot am ausländischen Markt	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Verkaufspreise auf dem ausländischen Markt	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Einsatz von Werbe- und Verkaufsförderungsmaßnahmen im Gastland	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Beschaffung der Betriebsmittel/Vorprodukte	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Entwicklung neuer Produkte am ausländischen Markt	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Entlohnung der Mitarbeiter im Gastland	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Nehmen Sie bitte aus Ihrer Sicht zu folgenden Aussagen Stellung:	**1-Trifft überhaupt nicht zu**	**Trifft teilweise zu**	**7-Trifft vollständig zu**
Es herrscht großes Vertrauen zwischen uns und dem Partner im Gastland.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Es herrscht eine Atmosphäre von Offenheit und Ehrlichkeit zwischen uns und dem Partner im Gastland.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Ich vertraue einer Person mehr, die ich gut kenne als einer Person, die ich nicht kenne.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Die Zusammenarbeit beruht auf partnerschaftlicher Basis.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Partner, denen ich vertraue, sind jene, mit denen ich schon eine längere Beziehung aufgebaut habe.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐

In welchem Ausmaß haben Sie in den letzten 3 Jahren die Ziele Ihrer Auslandstätigkeit erreicht?	**1-überhaupt nicht**						**7-in sehr großem Ausmaß**
Umsatz	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐	6 ☐	7 ☐
Umsatzwachstum	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐	6 ☐	7 ☐
Rentabilität	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐	6 ☐	7 ☐
Gewinn	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐	6 ☐	7 ☐
Marktanteil	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐	6 ☐	7 ☐
Reputation und Bekanntheit	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐	6 ☐	7 ☐
Marktzugang	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐	6 ☐	7 ☐
Kundenzufriedenheit	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐	6 ☐	7 ☐
Marketing- und Vertriebsstrategie	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐	6 ☐	7 ☐

C. Abschließende Fragen zur internationalen Unternehmenstätigkeit

In welchem Jahr und Land haben Sie mit der **Internationalisierung** Ihrer Unternehmung begonnen?
JAHR: LAND:

In wie vielen Ländern sind Sie tätig? _____

Anzahl der Mitarbeiter im **HEIMATLAND:**
☐ bis 100 ☐ 100 bis 250 ☐ 250 bis 500 ☐ 500 bis 1000 ☐ mehr als 1000

Anzahl der Mitarbeiter im **GASTLAND**:
☐ bis 100 ☐ 100 bis 250 ☐ 250 bis 500 ☐ 500 bis 1000 ☐ mehr als 1000

Durchschnittlicher Jahresumsatz des Mutterunternehmens (in EURO):

Bis 350000	350000 - 700000	700000 - 1 500 000	1 500000 - 5 000000	5 000000 - 10 000000	mehr als 10 000000
☐	☐	☐	☐	☐	☐

Durchschnittlicher Jahresumsatz im GASTLAND (in EURO)

Bis 350000	350000 - 700000	700000 - 1 500 000	1 500000 - 5 000000	5 000000 - 10 000000	mehr als 10 000000
☐	☐	☐	☐	☐	☐

Abstract German

Diese Arbeit untersucht die Auswirkung von unternehmerischen Umweltunsicherheiten auf die Verteilung der Entscheidungsrechte zwischen Hauptsitz und Tochtergesellschaft.

Es gibt zwei widersprüchliche Ansichten darüber, wie sich diese Umweltunsicherheit auf die Entscheidungsrechte zwischen einer Muttergesellschaft und ihrer Tochtergesellschaft auswirken kann. Die adaptive Ansicht legt nahe, dass durch Unsicherheit Unternehmen dazu gezwungen sind, anpassungsfähiger zu sein und Informationen lokal zu verarbeiten. Demzufolge werden die Entscheidungsrechte auf die ausländische Tochtergesellschaft übertragen (Gibbons, 2005; Gulati et al., 2005; Herbert Alexander Simon, 1976, S. 112; Williamson, 1991). Im Gegensatz dazu legt die Kontrollansicht nahe, dass die Entscheidungsrechte bei Ungewissheit in die Mutterunternehmung verlagert werden (Williamson, 1971, 1975). Diese Arbeit wird zur bestehenden Forschung in diesem Bereich beitragen und weitere Einblicke in diese widersprüchlichen Ansichten geben.

Die in dieser Arbeit verwendeten Kategorisierungen wurden aus der vorhandenen Literatur abgeleitet, um Konsistenz mit der Forschung in diesem Gebiet zu garantieren. Darüber hinaus stammen die Daten für die quantitative Untersuchung der Arbeit aus einer Primärquelle. Diese Daten wurden mit Hilfe eines standardisierten Fragebogens von österreichischen Unternehmen erhoben, die in mittel- und osteuropäischen Ländern tätig sind.

Die unabhängige Variable wurde in drei Komponenten der kulturellen, institutionellen und marktbezogenen Unsicherheit unterteilt. Um detailliertere Informationen über den Zusammenhang zwischen verschiedenen Komponenten in den Daten zu erhalten, wurde die abhängige Variable in zwei Gruppen nach Mumdziev und Windsperger (2011) aufgeteilt: Strategische Entscheidungsrechte und operative Entscheidungsrechte. Die Daten wurden in verschiedenen Industriesektoren gesammelt.

Die Arbeit soll einen Einblick geben, wie verschiedene Kategorien die Zuteilung von Entscheidungsrechten beeinflussen. Darüber hinaus soll sie Empfehlungen darüber geben, wie Unternehmen bei Unsicherheiten Entscheidungen zwischen dem Hauptsitz und ihren Tochtergesellschaften aufteilen können. Sie leistet einen Beitrag zum theoretischen Diskurs im Feld und im Zuge der verwendeten Messmethoden.