A Consideration of the Comparison between Transnational and Metanational Management

Takeshi FUJISAWA

ABSTRACT

This article intends to clarify the differences between transnational and metanational management in terms of comparing the characteristics of both general management and R&D (research and development) management. In order to investigate such differences, a literature review is presented, and new axes can be discovered in the figure which discerns metanational from transnational.

Subsidiaries’ business linkages that have regional headquarters in addition to their parent company are effective while examining the subsidiaries’ collaboration with other companies in an open network. Another figure has axes comprised of discretion degree of subsidiaries in their decision-making as well as their dependency on the headquarters’ resources for R&D and production. A metanational firm is characterized as an absorber of external capabilities and a knowledge creator.

One equation model can be utilized to establish a criterion for selecting either transnational or metanational in R&D activities, which leads to a proposition regarding its selection. Finally applying Tobin’s q theory to a corporate value which is one objective for a globalized firm, metanational management should be distinguished from transnational management in that the former prefers a higher growth ratio to corporate value.

Therefore two hypotheses can be built centered on the role of either type of subsidiary in general management and R&D.

Key Words: transnational, metanational, RHQ: Regional Headquarters