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# THE ROLE OF CANADIAN FOREIGN-CONTROLLED SUBSIDIARIES

*Prepared for Industry Canada*

BY JACEK WARDA

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## HIGHLIGHTS

The study has attracted a wide attention of senior executives of Canadian foreign-controlled companies, proving that the role of Canadian subsidiaries is a top and timely issue for CEOs.

The majority of foreign-controlled companies are positive about their present relationship with parent headquarters, and a level of authority in decision making.

A greater part of companies look forward optimistically to the opportunities created by new North American and global economic order under the present level of autonomy.

The notion that corporate authority of the Canadian-based foreign-controlled subsidiaries is being reduced across-the-board cannot be ascertained by this research.

MARCH 1994

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## **Introduction**

This research project was designed to examine the role and relationships of Canadian subsidiaries with their parents and the changes in these areas over the last five years.

The conventional wisdom holds that in the recent five years the role and relationships of subsidiaries with their parents have changed, with Canadian companies yielding quite significant degree of authority and ability in strategic decision making. Many factors are considered to have contributed to this change, including globalization, North American economic integration, new technology, and new management systems. There is no comprehensive analysis in this area that could back up or refute some of the largely anecdotal evidence available. This report is an attempt to provide more information on changes taking place among Canadian foreign-controlled subsidiaries.

## **About the Survey**

The report presents and analyses statistical evidence gathered through a survey of Canadian foreign-controlled subsidiaries. The survey was conducted in early March 1994. It was primarily addressed to Chief Executive Officers (or their equivalents) of Canadian subsidiaries. The companies were selected using as a base the Financial Post 500 and Next 200 lists of largest companies operating in Canada compiled in May 1993. This list was then updated accordingly to produce a list of 202 foreign-controlled firms.

The survey (see Exhibit 1) was sent by facsimile, asking CEOs for a reply, also by facsimile, within one week from the date of sending. The response rate was very good, signifying the importance of the issue to corporate leaders. There have been 81 responses to the survey, which accounts for 40.1 per cent of the sample. Sixty-two per cent of the questionnaires were filled in by CEOs or their equivalents. All responses were found to be valid for further analysis. Five companies declined to participate in the survey, while a few senior executives offered further assistance in the survey.

Certainly, sending the questionnaire by fax has helped in the overall success of the survey. Facsimile was effective due to compressed time of the report preparation. Also, it guaranteed that virtually each company CEO in the sample has received the questionnaire. The questionnaire was accompanied by a letter from The Conference Board of Canada signed by its President and Chief Executive Officer. The letter guaranteed the confidentiality of survey participants. Because of the survey's sensitivity, however, facsimile might not have been the best form of protecting confidentiality. This could have been discounted by the survey respondents, affecting to a certain degree its outcome.

## **The Scope of the Survey**

The industry coverage of foreign-controlled subsidiaries examined in the survey is extensive. When examined by industry category, almost all major groups are represented, with other chemical products industry and retail and wholesale trade sector accounting for the largest share of responses, 11.1 per cent and 12.3, respectively. Primary industry is also well represented, 11.3 per cent

when mineral and oil and gas industries are combined. Among industries representing high technology sector, communications and other electrical products has the largest share, accounting for 8.6 per cent of total response, which is similar to the transportation equipment industry (see Table 1).

When disaggregated by employment size, one third of the respondents are from small and medium-sized companies (1 to 499 employees), 37 per cent are from large companies (500 to 1,999 employees) and 29.6 per cent represent very large firms. In summary, although Canadian foreign-owned subsidiaries are generally of larger size, the sample was able to effectively capture the participation of smaller foreign-controlled firms (see Table 4).

When asked about the location of parent company headquarters, the majority of survey respondents indicated they had parent in the United States (61.7 per cent). The United Kingdom and Japan were identified by 16 per cent and 7.4 per cent of the respondents, respectively. Other countries represented a mix of regions, including Australia, Germany, France and Switzerland (see Table 2).

It is interesting to note that almost half of the responding companies (49.3 per cent) produce only or primarily for the Canadian market. However, the other half has much greater scope of their operations, serving North American markets, as well as global markets (see Table 3). The largest proportion of companies whose market is only or primarily Canadian in scope are subsidiaries controlled by Japan (50 per cent) and other countries (53.7 per cent). In contrast, the U.S.-controlled firms have a broader scope, with 53 per cent of them including not only a domestic market, but a North American and global focus as well. The U.K.-based companies are similar in focus to the U.S.-controlled firms: close to 54 per cent are aiming at a larger area. The main distinction here is that while the U.S.-owned subsidiaries have more global focus, the U.K.-controlled firms are oriented on the North American market. So do the Japanese subsidiaries (see Table 15).

### **Ownership Structure**

The majority of companies reported in the survey are not listed on a Canadian stock exchange. Only 22 per cent are publicly traded (see Table 5). The structure of ownership may have an implication on changes in the relationship between the Canadian subsidiary and its parent.

When asked if the percentage of Canadian ownership has changed in the last 5 years, 11 companies have indicated that it did. In three cases, the change resulted in an increase while in 8 cases the change meant a decrease in Canadian ownership. Among the eight companies that experienced a decrease in Canadian shares, six were bought out by the parent (see Table 6). This trend towards consolidation of ownership in the hands of parents explains, to a certain extent, the low share of publicly traded companies among the survey respondents. Generally, the respondents were positive about having Canadian shareholders: 52.3 per cent said that Canadian investors could have an impact on the Canadian foreign-controlled company. Still, a relatively significant share of respondents, 34.1 per cent, see Canadian ownership as not important, while 13.6 per cent are not sure of the impact (see Table 7).

### **Subsidiary-Parent Relationship**

Of the 81 respondents to this survey, 33 corporations (40.7 per cent) have undergone a change in the organizational relationship with the parent in the recent five years (see Table 8). These changes have mostly occurred in the U.S.-controlled company (44 per cent) and the U.K.-owned company (38.5 per cent). This result confirms the hypothesis that companies with broader market focus are more likely to undergo a change in their relationship with the parent (see Tables 15 and 16).

What is the nature of change in the organizational relationship between the parent and its subsidiary? The respondents were asked to discuss the impact of change on the Canadian subsidiary head office and the operating division's reporting lines to parent. Of the 28 respondents to this question, almost two-thirds reported a weakening of the subsidiary's head office, while over half of the respondents pointed out the strengthening of their direct reporting lines with parent. In contrast, close to one third of the respondents saw their head office strengthened, while direct lines of an operating department were weakened (see Table 9). With respect to changes in relationship experienced by the U.S.-controlled subsidiaries (20 respondents), 79 per cent of these firms has had their head office reduced in power. Another 60 per cent has recorded strengthening of the divisional direct reporting lines and 25 per cent has had new reporting lines to parent established (see Chart 1).

In sum, although only 40 per cent of Canadian foreign-controlled companies reported changes in the relationship with parents, the magnitude of change appears to be substantial. The U.S.-based companies are those that have been especially subjected to the change: from relative autonomy of a subsidiary's head office toward increased dependency on divisional direct reporting lines to the parent.

### **Changes in Decision-Making Authority**

What is the scope of changes taking place in the subsidiary-parent relationship? First, the majority of respondents feel that the decision making in their companies has largely remained the same for most of the corporate functions. There are, however, individual areas where changes have been more pronounced. These areas include investment and finance, marketing, R&D and technology, and senior management staffing decisions (see Table 10).

The companies have flexibility to make decisions in the area of marketing. This function has undergone the most dynamic change since 1988. Less than half of the respondents said that their ability to make marketing decisions stayed the same. For about 30 per cent of the respondents, their freedom in marketing was reduced, but for another 23 per cent their ability has actually increased. As a result, more than 50 per cent of Canadian subsidiaries enjoy full authority to make marketing decisions, and another 35 per cent are able to undertake marketing decisions partially. Only a small proportion, 14 per cent, of subsidiaries, have no freedom in marketing decisions (see Table 11). When disaggregated by the location of parent headquarters, it is the United States and the United Kingdom owned subsidiaries that have most to say on their own in the area of marketing (see Chart 3). The strong showing of the marketing area is

supported by the distribution function, which is the only function that has recorded a net inflow of decision making power into Canada ("less parent control" outweighs "more parent control").

Investment/finance and senior management appointments are the two strategic corporate functions that have gone through the most limiting change for decision making. These areas have recorded the largest net outflow of decision making ability to parent headquarters, in a sense that more parent control in some companies was not compensated by less parent control in other companies examined (see Table 10). Accordingly, 46 per cent of the respondents are not able to make capital investment, and another 44 per cent cannot appoint senior managers without prior parent involvement. Only 9 per cent and 15 per cent of foreign-controlled companies have full autonomy in investment decisions and senior management appointment decisions, respectively. It is symptomatic that the most dependent on parent are the U.S.-controlled corporations: 58 per cent and 55 per cent of these firms have no freedom in investment and senior appointments, respectively (see Chart 2 and Chart 5).

Research and development (R&D) is another strategic area in which foreign-controlled companies have been subjected to a limiting change, but not to the same extent as investment and senior management appointments. Twenty-three per cent of the respondents are fully capable of making technology-related decisions, and another 38 per cent have partial authority. Still, almost 40 per cent of these firms do not have autonomy to take R&D/technology decisions themselves (see Table 10 and Table 11). When disaggregated by country of ownership, 49 per cent of U.S.-owned subsidiaries do not have autonomy in R&D. The survey also confirms that Japanese subsidiaries do not have much power to do research and technology development in Canada (see Chart 4). However, the Japanese respondents to this survey are largely assembly and distribution-oriented establishments.

The survey respondents were also asked (on a scale ranging from 1 for not important to 5 for very important) to rank the factors that have contributed to changes in their decision making ability vis a vis parents. In their view, the most important factors are new trading arrangements including the impact of globalization (average score of 3.6) and North-American integration (3.3), followed closely by new management systems (3.1), (see Table 12).

### **Taking Advantage of Opportunities**

The respondents were asked to provide final assessment whether their companies were able to take full advantage of domestic and global opportunities under the present level of decision making authority. Eighty per cent of the respondents said that they were able to take full advantage of existing opportunities. Only one in five respondents were pessimistic about this ability (see Table 14). By the country of ownership, the United States-owned companies tracked closely the above distribution, with 77.5 per cent of companies being optimistic about their future under the present level of authority. The U.K. and other country-owned subsidiaries were even more optimistic, with 90 per cent of respondents saying "yes". The exception were Japanese-owned subsidiaries, with



50 per cent pessimistic about their ability to effectively take advantage of domestic and global markets (see Table 17).

### Conclusions

Judging by the response rate, the survey has attracted a wide attention of senior executives of Canadian foreign-controlled companies. It proved that the role of Canadian subsidiaries is a top and timely issue for CEOs. The response to this survey indicates that the majority of foreign-controlled companies are positive about their present level of authority in decision making. Although, there have been changes made to the form and scope of their corporate relationship with parents, for the majority of companies all has remained normal. Many companies look forward optimistically to the opportunities created by new North American and global economic order under the present level of autonomy.

This is not to say that there have not been any limiting changes occurring to the level of authority. Investment/finance is a good example of a strategic area where the most limiting change has happened. Despite this, the study cannot ascertain the notion that corporate authority of the Canadian-based foreign-controlled subsidiaries is being reduced on a widespread basis, beyond stating the fact that for the minority of companies it may be the case, and for the majority it does not seem to be the case. Specific industries or individual companies could be affected more by this trend than others. The globalization and North American integration are complex issues for corporations that require structural realignment over a longer time span. What we are witnessing now in some industries and companies is perhaps a phase in this reshuffling. This should be examined by a sectoral study, recognizing those sectors that weigh relatively more for the Canadian economy. As for this study, it is beyond its scope to analyze separate industry groups largely because of limited resources, and small sample of respondents in particular industry categories.

As mentioned earlier, there could be a number of factors hindering the results of this survey. For example, the degree of caution exercised by the respondents when giving away sensitive information, as well as a limitation of both the executive's time and survey space, make it difficult to provide detailed answers to the survey. Second, the survey results are largely based on corporate perceptions, and these can be quite volatile in a dynamic external environment. Therefore, any further verification of the findings of this study should be conducted through an in-depth research involving directed interviews with a selected group of CEOs of Canadian subsidiaries and, possibly, their parents. The answers to this survey could serve as a base for the selection of companies for an interview.

# APPENDIX 1: BASIC RESULTS

**Table 1**

*Which classification best describes the industry in which your company primarily competes?*

Industrial classification	No. of firms	%
Mines and Mineral-Based Products	3	3.7
Oil and Gas and Petroleum Products	7	8.6
Forestry and Forest-Based Products	1	1.2
Food, Beverage, Tobacco	4	4.9
Rubber and Plastic Products	2	2.5
Textiles	1	1.2
Machinery and Equipment	3	3.7
Transportation Equipment	7	8.6
Communications and Other Electrical Products	7	8.6
Computers and Software	4	4.9
Drugs and Medicine	4	4.9
Other Chemical Products	9	11.1
Other Manufacturing Industries	7	8.6
Financial Services	4	4.9
Retail and Wholesale Trade	10	12.3
Other Services	8	9.9

Sources: The Conference Board of Canada.

**Table 2**

*In which country is the headquarters of your parent company located?*

Location	No. of firms	%
United States	50	61.7
United Kingdom	13	16.0
Japan	6	7.4
Other countries	12	14.8
Total	79	100.0

Sources: The Conference Board of Canada.

**Table 3**

*Which of the following best describes the scope of your company's production activities?*

Scope	No. of firms	%
Only the Canadian market	22	27.8
Primarily the Canadian market	17	21.5
Primarily the Canadian market but has N.A. or world product mandates	19	24.1
N.A. market from a Canadian base	6	7.6
Global market from a Canadian base	15	19.0
Total	79	100.0

Sources: The Conference Board of Canada.

**Table 4****Employment in Surveyed Companies**  
(n=81)

Number of employees	No. of firms	%
1-99	5	6.2
100-499	22	27.2
500-999	12	14.8
1,000-1,999	18	22.2
2,000-3,999	14	17.3
4,000+	10	12.3

Source: The Conference Board of Canada.

**Table 5****Are shares in your company publicly traded on a Canadian stock exchange?**  
(n=81)

Shares traded	No. of firms	%
Yes	18	22.2
No	63	77.8

Source: The Conference Board of Canada.

**Table 6****Has the percentage of Canadian ownership changed in the last 5 years?**  
(n=44)

Change in Canadian Ownership	No. of firms	%
No	33	75.0
Yes, increased	3	6.8
Yes, decreased	8	18.2
•bought out by parent	6	75.0
•other	2	25.0

Source: The Conference Board of Canada.

**Table 7****Do you feel that having Canadian shareholders has an impact on a Canadian subsidiary?**  
(n=44)

Canadian shareholders have impact	No. of firms	%
Yes	23	52.3
No	15	34.1
Don't know	6	13.6

Source: The Conference Board of Canada.

**Table 8****Has the organizational relationship between your company and your parent changed since 1988?**  
(n=81)

Relationship changed	No. of firms	%
Yes	33	40.7
No	48	59.3

Source: The Conference Board of Canada.

**Table 9****If yes, what was the nature of this change?**  
(n=28)

Item	On the Canadian subsidiary head office		On the operating divisions' reporting lines to parent	
	No. of firms	%	No. of firms	%
Weakened	18	64.3	8	28.6
Strengthened	9	32.1	15	53.6
Abolished	1	3.6	1	3.6
Established	—	—	4	14.3

Source: The Conference Board of Canada.

**Table 10*****How has the decision making in your Canadian company changed since 1988?***

(percentages)

Functions	No. of firms	Remained the same	More parent control	Less parent control
Strategic Planning	77	53.2	26.0	20.8
Finance	78	60.3	30.8	9.0
Investment	76	56.6	34.2	9.2
Production	68	54.4	25.0	20.6
Distribution	73	65.8	15.1	19.2
Marketing	75	48.0	29.3	22.7
Procurement	72	69.4	19.4	11.1
R&D/Technology	72	56.9	27.8	15.3
Senior Mgmt Appts.	76	59.2	26.3	14.5
Human Resources	76	56.6	21.1	22.4

Source: The Conference Board of Canada.

**Table 11*****Are you able to make decisions on your own in the following areas?***

Area	No. of firms	Yes	
		No	Yes, fully partially
Capital investment	81	45.7	8.6 45.7
Marketing	80	13.8	51.3 35.0
R&D/Technology	74	39.2	23.0 37.8
Senior Mgmt Appointments	79	44.3	15.2 40.5

Source: The Conference Board of Canada.

**Table 12*****What factors have contributed to these changes?***

Factors	No. of firms	Average score*
North-American integration	62	3.3
Globalization	63	3.6
Canadian Government Regulations	61	1.9
Canadian Production Costs	59	2.5
New Product Development	60	2.7
New Management Systems	61	3.1
New Technology	59	2.7
Other	15	3.9

\*Scale of 5 to 1, where 5=very important; 1=not important.

Source: The Conference Board of Canada.

**Table 13*****Has the number of product mandates changed in the last 5 years in your company?***

(n=75)

Mandates	No. of firms	%
Increased	33	14.0
Decreased	5	6.7
Remained the same	37	49.3

Source: The Conference Board of Canada.

**Table 14*****Do you feel that your company is able to take full advantage of domestic and global opportunities under the present level of autonomy?***

(n=79)

Full advantage	No. of firms	%
Yes	63	79.7
No	16	20.3

Source: The Conference Board of Canada.

**Table 15****Canadian Subsidiary's Market by Headquarters Location**  
(per cent)

Market	Headquarters Location			
	U.S.	U.K.	Japan	Other
Only the Canadian market	30.6	15.4	33.3	27.3
Primarily the Canadian market	16.3	30.8	16.7	36.4
Canadian market with				
N.A. or world product mandates	26.5	23.1	33.3	9.1
N.A. market from a Canadian base	4.1	23.1	—	9.1
Global market from a Canadian base	22.5	7.7	16.7	18.2
Total	100.0	100.0	100.0	100.0

Source: The Conference Board of Canada.

**Table 16****Changes in the organizational relationship between Canadian subsidiary and its parent. By location of parent's headquarters.**  
(per cent)

Country	Relationship		Total
	Changed	Unchanged	
U.S.	44.0	56.0	100.0
U.K.	38.5	61.5	100.0
Japan	33.3	66.7	100.0
Other	33.3	66.7	100.0

Source: The Conference Board of Canada.

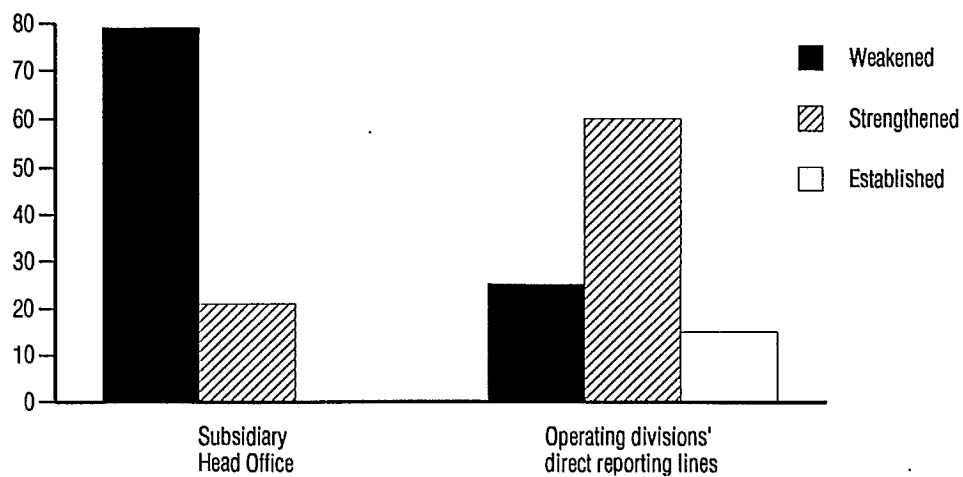
**Table 17****Are you able to take full advantage of global opportunities under the present level of autonomy?**  
(per cent)

Country	Full advantage	
	Yes	No
U.S.	77.5	22.5
U.K.	91.7	8.3
Japan	50.0	50.0
Other	91.7	8.3
Total	100.0	100.0

Source: The Conference Board of Canada.

**Chart 1**

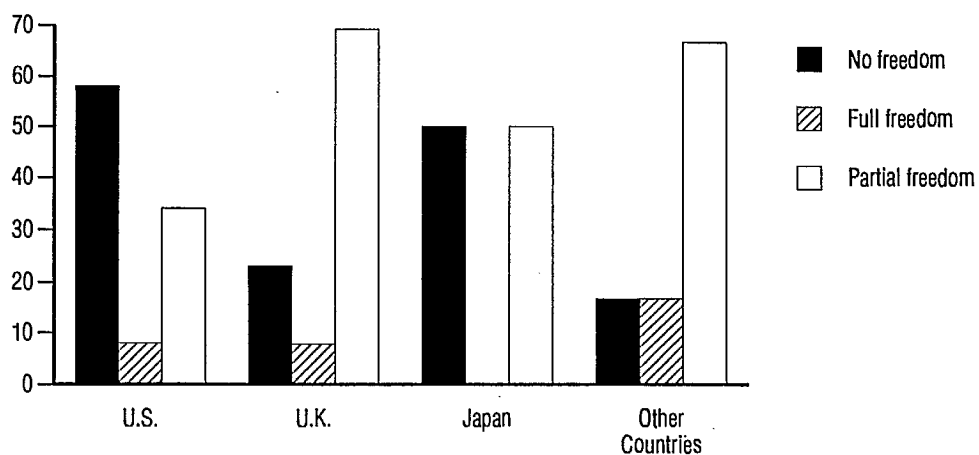
*Nature of Changes in Organizational Relationship with U.S. Parent*  
(per cent)



Source: The Conference Board of Canada.

**Chart 2**

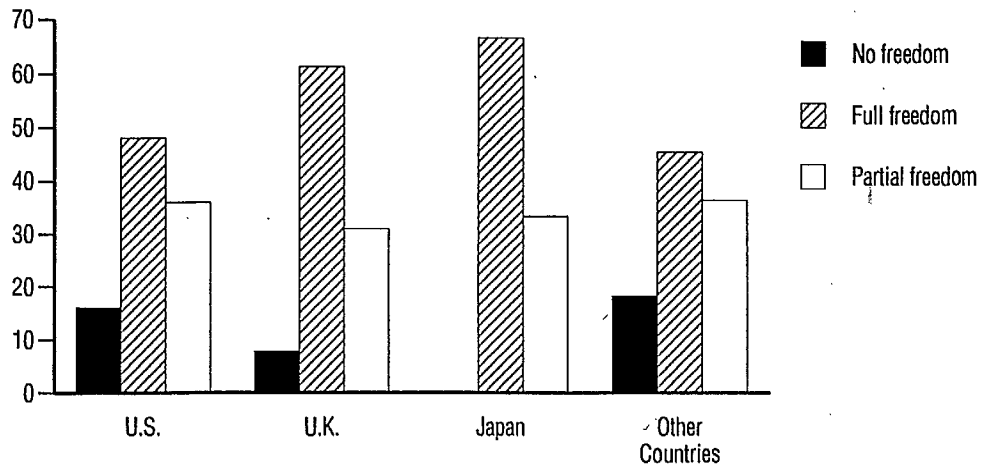
*Ability to Make Decisions in Foreign-Controlled Subsidiaries: Capital Investment*  
(per cent)



Source: The Conference Board of Canada.

**Chart 3**

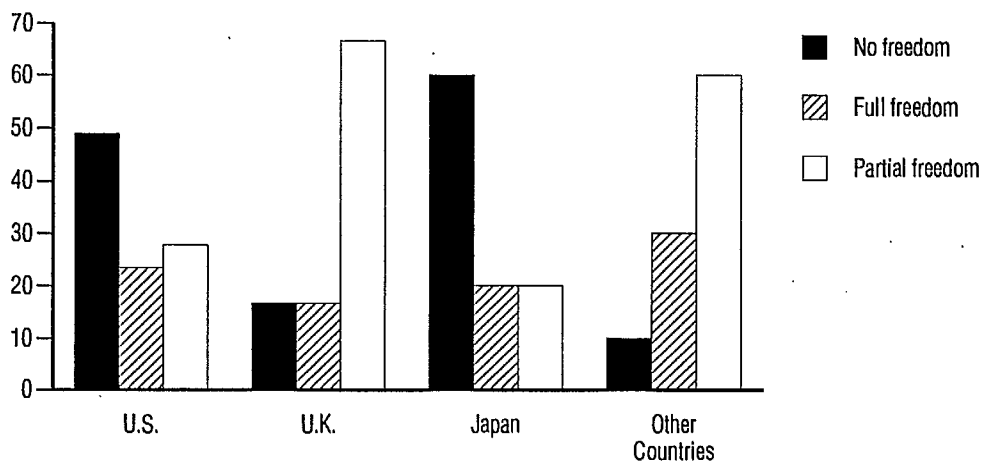
***Ability to Make Decisions in Foreign-Controlled Subsidiaries: Marketing***  
(per cent)



Source: The Conference Board of Canada.

**Chart 4**

***Ability to Make Decisions in Foreign-Controlled Subsidiaries: Research & Development***  
(per cent)



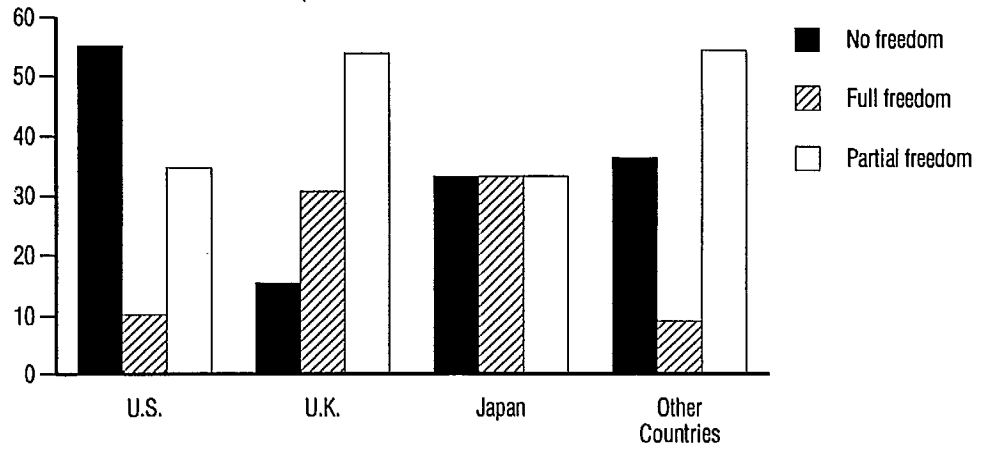
Source: The Conference Board of Canada.



**Chart 5**

***Ability to Make Decisions in Foreign-Controlled Subsidiaries: Senior Management Appointments***

(per cent)



Source: The Conference Board of Canada.

## APPENDIX 2: THE QUESTIONNAIRE



## SURVEY OF THE ROLE OF CANADIAN SUBSIDIARIES

### About This Survey

There is some anecdotal evidence that the role and relationships of foreign owned subsidiaries with their parents have changed because of many factors such as globalization, North American economic integration, technological changes and changes in management systems. However, there is no comprehensive analysis in this area, which this ground-breaking survey will provide. The objective of this survey is to examine the role and relationships of Canadian foreign subsidiaries with their parents and the changes in these areas over the last five years.

#### 1. Respondent Identification

Company Name (in full): \_\_\_\_\_

Your Name: \_\_\_\_\_ Telephone: \_\_\_\_\_

Your Title: \_\_\_\_\_

#### 2. Which classification below best describes the industry in which your company primarily competes? (Please check one only)

- Mines and Mineral-based Products
- Oil and Gas and Petroleum Products
- Forestry and Forest-based Products
- Food, Beverage, Tobacco
- Rubber and Plastic Products
- Textiles
- Machinery and Equipment
- Transportation Equipment
- Communications and Other Electrical Products
- Computers and Software
- Drugs and Medicine
- Other Chemical Products
- Other Manufacturing Industries (please specify) \_\_\_\_\_
- Financial Services
- Retail and Wholesale Trade
- Communication
- Other Services (please specify) \_\_\_\_\_

#### 3. In which country/region is the headquarters of your parent company located?

- U.S.
- U.K.
- Japan
- Other (please specify) \_\_\_\_\_

4. Which one of the following best describes the scope of your company's production activities? (Check one only)
- Serves only the Canadian market
  - Serves primarily the Canadian market
  - Serves primarily the Canadian market, but has North American or world product mandates
  - Serves the North-American market from a Canadian base
  - Serves the global market from a Canadian base
5. Please indicate the number of full-time employees presently employed by your company in Canada:
- |                                    |  |  |
|------------------------------------|--|--|
| <input type="checkbox"/> 1 - 99    | <input type="checkbox"/> 500 - 999     | <input type="checkbox"/> 2,000 - 3,999 |
| <input type="checkbox"/> 100 - 499 | <input type="checkbox"/> 1,000 - 1,999 | <input type="checkbox"/> Over 4,000    |
6. a) Are shares in your company publicly traded on a Canadian stock exchange?
- Yes                       No
- b) If "Yes", what is their percentage of total equity in your company? \_\_\_\_\_ %
- c) Has this percentage of Canadian ownership changed in the last 5 years?
- No                       Yes, increased                       Yes, decreased
- d) If "Yes, decreased", how would you best describe this change?
- Canadian ownership bought out by parent
  - Sold Canadian shares for the first time
  - Other (please specify) \_\_\_\_\_
- e) Do you feel that having Canadian shareholders has an impact on the level of decision making in a Canadian subsidiary?
- Yes                       No                       Don't know
7. a) Has the organizational relationship between your company and your parent changed since 1988?
- Yes                       No

b) If "Yes", what was the nature of the change?

Canadian subsidiary head office was:

weakened       strengthened       abolished       established

Operating divisions' direct reporting lines to company headquarters were:

established       abolished       strengthened       weakened

8. How has decision making in your Canadian company relative to your parent company changed since 1988 for the following functions:

	Remained the same	More parent control	Less parent control
Strategic Planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Treasury/Finance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Production	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Distribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Procurement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
R&D/Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senior Management Appointments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Human Resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. In particular, are you able to make decisions without consulting with your parent company in the following areas:

	Capital Investment	Marketing	R&D/ Technology	Senior Mgmt Appointments
No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yes, fully	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yes, partially	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If partially,  
please specify  
the extent:

\_\_\_\_\_

Please comment on changes and trends in these areas:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**10. What factors brought about these changes?**  
(scale of importance: 1 = not important; 5 = very important)

North-American integration	1	2	3	4	5
Globalization	1	2	3	4	5
Canadian government regulations	1	2	3	4	5
Canadian production costs	1	2	3	4	5
New product development	1	2	3	4	5
New management systems	1	2	3	4	5
New technology	1	2	3	4	5
Other (please specify) _____	1	2	3	4	5

**11. Has the number of product mandates changed in the last 5 years in your company?**

- Increased  
 Decreased  
 Remained the same

If increased or decreased, what was the reason for it? (please specify)

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**12. Do you feel that your company is able to take full advantage of domestic and global opportunities under the present level of autonomy?**

- Yes                       No

Please comment: \_\_\_\_\_

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**Thank you for completing this questionnaire.**

**Please return it by facsimile (613-526-1747) by  
March 8, 1994 on the address below:**

Jacek Warda  
Senior Research Associate  
The Conference Board of Canada  
255 Smyth Road  
Ottawa, Ontario , K1H 8M7  
Telephone: (613) 526-3280





**The Conference Board of Canada**  
255 Smyth Road, Ottawa, Ontario K1H 8M7  
Canada  
Telephone: (613) 526-3280  
Fax: (613) 526-4857

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