

German corporations' headquarters and Russian subsidiaries –

Structures, evolutions,
challenges

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Introduction

- Considerable number of **industrial projects in Russia**, launched and “possessed” by **German corporations**
- Continuous **economic instability in Russia** => ultimate task is to maintain robust and effective functioning of subsidiaries
- System of management of Russian subsidiaries by Western corporations as a **system of two-sided and multi-lateral relationships** (e.g. headquarter-subsidiary relationship, relationship between sister-subsidiaries)
- Headquarter-subsidiary relationships characterized by different constructs, namely **subsidiary mandate, corporate parenting style and collective psychological contract**

Project Goals

1. Exploration and observation of the **peculiarities of the abovementioned constructs** in the whole population of Russian subsidiaries of German corporations and their headquarters
2. Identification of **decisions that lead to more efficient development of Russian subsidiaries** that includes both positive effects for the parents and positive socio-economic effects for the host country

Methods

- Mixed-method approach
 - Internal company documents in headquarters and subsidiaries
 - Surveys of corporate executives and subsidiary managers
 - Qualitative expert interviews
 - Selected in-depth company case studies

Budget

	Russia (RUR)	Germany (EUR)
Personnel costs	15,000,000	260,940
Consumables	--	1,000
Outsourcing / subcontracting		23,800
Travel and Subsistence Costs	930,000	29,100
Organisation of project meetings and seminars	--	20,000
Other costs (including publication costs)	--	8,000
Overheads	1,770,000	--
Total Russia	17,700,000	342,840