

Decentralized Governance and Strategic Alignment in Hypo-Groups: An Empirical Analysis in the Moroccan Context

Hamza Taghzouti

LRSGO, Ibno Tofail KENITRA

hamza.taghzouti@gmail.com

Otmane BENNANI

LRMD, FEG SETTAT

otmbennani@gmail.com

Khaoula EL AARAJ

LRMD, FEG SETTAT

khaoulaelaa1@gmail.com

Mohammed MACHROUH

LAREMEF

Abstract

This study examines the impact of strategic, financial, and organizational autonomy of subsidiaries on strategic alignment within Moroccan hypo-groups, using a quantitative approach based on a sample of 246 managers. The findings reveal that both strategic and financial autonomy significantly weaken coherence with headquarters' objectives, whereas HR autonomy shows no significant effect, highlighting the stabilizing role of informal mechanisms. These insights offer renewed theoretical perspectives on decentralized structures by incorporating the specificities of transitional contexts.

Keywords

Hypo-groups, strategic alignment, subsidiary autonomy, hybrid governance, quantitative analysis, emerging economies.

I. Introduction

In the face of a globalized and uncertain economy, hypo-group networks of autonomous companies linked by flexible coordination—are emerging as underexplored organizational structures. They are characterized by low integration, significant decentralization, and substantial subsidiary autonomy, posing challenges in terms of governance, strategic alignment, and coordination.

Decentralized autonomy within hypo-groups enhances responsiveness to diverse local environments and facilitates the development of localized competencies. However, in the absence of coherence mechanisms, it may lead to strategic misalignment and fragmentation. Striking a balance

between autonomy and coherence thus represents a major governance challenge.

This study proposes a framework for analyzing how decentralized governance influences strategic alignment within hypo-groups. Drawing on agency theory, embeddedness, and hybrid governance models, it investigates the impact of decision-making autonomy on strategic, financial, and organizational dimensions. The article is divided into two parts: the first explores decentralized governance and its inherent tensions, while the second examines mechanisms that promote effective alignment, such as coordination, trust, and regulatory frameworks. The aim is to shed light on management practices within these structures, particularly in transitional economies such as Morocco.

II. LITERATURE REVIEW

A. Decentralized Governance in Hypo-Groups: Between Decision-Making Fragmentation and the Pursuit of Strategic Coherence

1. An Atypical Organizational Architecture: Decentralization as the Foundation of Hypo-Groups

The structure of hypo-groups is characterized by the absence of a single decision-making center, in contrast to integrated corporate groups. According to Taghzouti, Babounia, and Bennani [2025], this model is rooted either in an entrepreneurial logic that values local autonomy or in legal, fiscal, or cultural constraints. Whether voluntary or imposed, this decentralization complicates governance by hindering smooth centralized strategic coordination. Each

subsidiary becomes a fully-fledged decision-making center, developing its own trajectory based on its resources, market, and institutional environment.

This configuration fosters a redistribution of strategic power, thereby challenging the relevance of traditional models based on vertical hierarchy and centralized control. Embeddedness theory [FasterCapital, 2025], combined with agency theory [Jensen & Meckling, 1976], provides a framework for analyzing how local managers may develop strategic autonomy, which can lead to misalignment with the group's overarching objectives. The associated risks are both organizational (loss of strategic coherence) and economic (inefficiencies due to duplication of efforts).

However, decentralization also presents opportunities. As noted by FasterCapital [2025], a multi-centered organization enhances local adaptability, fosters innovation, and increases the engagement of operational stakeholders. Subsidiaries with decision-making autonomy tend to be more responsive to environmental changes and can develop strong local leadership, particularly in sectors that are highly influenced by cultural or regulatory contexts, such as retail or healthcare.

The implementation of hybrid governance—combining flexible control mechanisms (e.g., reporting systems, performance-based evaluations, dashboards) with significant decision-making latitude—emerges as a strategically relevant response [Taghzouti et al., 2025]. Such an approach may enable a balance between global strategic coherence and local operational efficiency by strengthening horizontal coordination and learning circuits. In emerging contexts such as Morocco, this model holds relevance. The diversity of institutional environments, the relative weakness of inter-organizational information systems, and the prominence of informal networks reinforce the need to adapt governance structures to local realities. As such, a dynamic governance model that empowers subsidiaries while being framed by flexible instruments may represent an effective pathway for managing these hypo-groups.

2. Three Forms of Autonomy: Strategic, Financial, and Organizational

Subsidiary decision-making autonomy unfolds across several dimensions, notably strategic, financial, and organizational autonomy. Each reflects a specific trade-off between centralization and decentralization.

Strategic autonomy refers to the subsidiary's ability to define its own development trajectory, including market selection, segmentation, product offerings, and partnerships [Lawton et al., 2024]. This autonomy is particularly vital in uncertain or culturally distinct local environments. Birkinshaw and Morrison [1995] emphasize that such subsidiaries can become "centers of excellence," generating distinctive and innovative capabilities that may serve as drivers of transformation for the entire group.

Financial autonomy denotes the capacity to manage resources independently of the headquarters, including local budgeting, investment decisions, and funding arrangements [Gates & Egelhoff, 1986]. While enhanced financial autonomy can improve operational efficiency, it requires

organizational maturity and appropriate control mechanisms [O'Donnell, 2000].

Organizational autonomy pertains to internal management, including recruitment, training, and managerial routines [Ferner et al., 2004]. It is essential for tailoring management practices to local contexts while preserving overall coherence. However, excessive autonomy in this domain can lead to divergent HR practices, potentially undermining cultural integration and the diffusion of capabilities.

These forms of autonomy are interdependent and dynamic, shaped by ongoing negotiations between headquarters and subsidiaries [Bouquet & Birkinshaw, 2008].

3. Autonomy and Strategic Misalignment: An Ambivalent Relationship

The relationship between autonomy and strategic misalignment is complex. According to agency theory [Jensen & Meckling, 1976], increased autonomy may foster opportunistic behavior, potentially leading to deviations from the group's overarching objectives. While the literature suggests that strategic autonomy enhances creativity and local responsiveness [Birkinshaw & Hood, 1998], it can also result in divergence from the global strategy—particularly in multicultural or institutionally complex contexts [Ghoshal & Nohria, 1989].

Several hypotheses can be proposed [H1, H2, H3]:

H1: The higher the level of strategic autonomy of subsidiaries, the lower the strategic alignment with the headquarters.

H2: The higher the level of financial autonomy of subsidiaries, the lower the strategic alignment with the headquarters.

H3: The higher the level of autonomy in human resource management, the lower the strategic alignment with the headquarters.

These relationships, however, are contingent upon coordination mechanisms, mutual trust, and the specific context. Effectively managing these tensions requires a balanced approach that combines autonomy with regulation [Bouquet & Birkinshaw, 2008].

B.Strategic Alignment in Multi-Business Groups: Mechanisms and Vulnerabilities

In hypo-group structures, where vertical coordination is intentionally or structurally weakened, the central challenge lies in the ability to maintain strategic alignment between subsidiaries and the headquarters. Far from being mere compliance with group directives, strategic alignment entails a deep coherence of orientations, objectives, and actions deployed across all levels of the organization (Venkatraman & Henderson, 1993).

1. Strategic Alignment and Multi-Level Governance: Tensions Between Formal and Informal Mechanisms

Strategic alignment refers to the degree of convergence between the strategy formulated by a group's headquarters and the strategy actually implemented by its decentralized units, particularly its subsidiaries. It is not merely a matter of formal compliance, but rather a dynamic, evolving, and multidimensional process. This alignment is reflected in the capacity of different hierarchical levels to share common objectives, to construct coherent action plans, and

to synergistically articulate local decisions with those made at the center. Within this logic, vertical alignment—that is, the correspondence between the headquarters' strategic orientations and the subsidiaries' operational practices—plays a critical role in overall group performance, particularly in competitive and international contexts where strategic cohesion becomes a vital factor for survival (Bartlett & Ghoshal, 1989).

To achieve such alignment, groups rely on a range of formal mechanisms designed to structure and steer strategic action across all levels. Among the most commonly used are top-down strategic planning processes, which define the group's major orientations through structured and often annual cycles. These are supplemented by integrated management control systems, which monitor the execution of strategies via standardized dashboards. Harmonized key performance indicators (KPIs) ensure comparability of results among subsidiaries, while regular reporting fosters ongoing dialogue between headquarters and peripheral entities. These tools enhance mutual visibility and facilitate coordination around shared objectives.

However, such formal mechanisms are not always sufficient to ensure strategic coherence—particularly in structures marked by low integration, as is often the case in hypo-groups. In these settings, informal mechanisms play a complementary, and sometimes central, role in maintaining alignment. A shared corporate culture can serve as a collective frame of reference, providing actors with a common set of values and expected behaviors. Leadership from the headquarters—whether exercised through charismatic leaders or influential central teams—can help guide subsidiary practices without relying on coercive instruments. Moreover, networking among local managers—through cross-functional meetings, inter-subsidary working groups, or communities of practice—facilitates information flow and the development of a shared vision.

In hypo-groups, where formal tools may be partial, underdeveloped, or inconsistent, these relational and cultural mechanisms often constitute the primary coordination infrastructure. As Ferner et al. (2004) point out, it is precisely in such contexts that the ability to mobilize informal resources becomes strategically significant. Ultimately, strategic alignment results from a balance between formalism and informality, between codified procedures and human interactions, with each group needing to calibrate this mix based on its structure, degree of internationalization, and managerial resources.

2. Autonomy as a Source of Strategic Misalignment

As previously discussed, the autonomy granted to subsidiaries constitutes a valuable strategic resource, particularly in complex or highly differentiated local environments. It enables rapid adaptation, context-specific innovation, and stronger anchoring in local dynamics. However, when insufficiently regulated, this very autonomy can become a source of strategic misalignment between subsidiaries and headquarters. Several studies have emphasized that, in the absence of robust

coordination, control, and socialization mechanisms, local autonomy may lead to drift that compromises the group's overall coherence (Doz & Prahalad, 1987; O'Donnell, 2000).

More specifically, poorly regulated strategic autonomy may encourage subsidiaries to pursue their own trajectories—often shaped by local priorities that are not necessarily aligned with the global vision of the headquarters. This phenomenon, referred to by Birkinshaw and Hood (1998) as "entrepreneurial drift," describes the tendency of highly autonomous subsidiary managers to develop expansion or innovation strategies independently, and at times, in divergence from central orientations. In such cases, local agility can devolve into strategic fragmentation, undermining the convergence of actions at the group level.

From a financial perspective, budgetary autonomy, when not accompanied by cross-functional regulatory mechanisms, may result in inefficient local trade-offs from the group's standpoint. An autonomous subsidiary may favor its own projects, immediate profitability, or internal stability, at the expense of resource pooling, financial solidarity across entities, or the funding of collective initiatives. As Gates and Egelhoff (1986) note, such tendencies can weaken the group's capacity to undertake coordinated strategic investments.

Autonomy in human resource management, meanwhile, enhances the ability of subsidiaries to adapt to local institutional and cultural specificities. However, when this autonomy is excessive or entirely disconnected from group standards, it can result in heterogeneous managerial practices, undermining internal cohesion and talent mobility. Ferner et al. (2004) show that the absence of a coherent HR policy within a group may generate tensions, limit inter-subsidary synergies, and weaken the sense of belonging to a unified organization.

That said, this analysis calls for nuance: autonomy is not inherently a source of misalignment. Rather, it is the conditions under which it is exercised that determine its effects. When autonomy is embedded within flexible yet effective coordination mechanisms—such as shared frameworks, reporting routines, inter-organizational exchanges, or a common corporate culture—it can coexist harmoniously with strong strategic alignment. The real challenge for decentralized groups lies in combining local freedom of action with global coherence.

In the specific case of hypo-groups—often marked by low formalization, structural heterogeneity, and bottom-up entrepreneurial logic—this tension is particularly acute. The scarcity of formal strategic management tools makes informal mechanisms—such as trust, relational proximity, or central leadership—all the more crucial. In other words, in these hybrid structures, autonomy can generate collective value only when embedded within a stable relational and strategic framework.

Table 1: Theoretical Perspectives on Strategic Alignment

Authors (Year)	Main Theme	Key Arguments	Position / Conclusions
Taghzouti, Babounia & Bennani (2025)	Governance of subsidiaries in hypo-groups	Analysis using agency theory and embeddedness theory: local managers increase their discretionary power, weakening central control mechanisms	Position: local autonomy must be calibrated to limit agency costs and preserve strategic alignment. A theoretical model is proposed, adaptable to the Moroccan context.
Lawton, Angwin, Dattée, Arrègle & Barbieri (2024)	Autonomy as a dynamic variable in acquired subsidiaries	Framework with three "strategic levers": appraisal respect, organizational identity, and resource orchestration; subsidiaries must progressively earn headquarters' respect	Position: autonomy is gradually earned through performance and trust; excessive autonomy risks strategic desynchronization.
Ferner et al. (2004)	Balance between centralization and local decision-making in HRM in US multinationals in the UK	Case study shows oscillation between centralized policies and local autonomy; this balance is negotiated through micro-political processes between HQ and subsidiaries	Position: local autonomy fosters adaptation but must be negotiated and regulated to ensure overall strategic coherence.

Source : Autors

III. Research Design

This research adopts a hypothetico-deductive and quantitative approach, aiming to empirically test a conceptual framework developed from the literature on decentralized governance and strategic alignment in hypo-groups. The main objective is to analyze the influence of three forms of autonomy—strategic, financial, and organizational—on strategic misalignment between subsidiaries and headquarters, taking into account coordination mechanisms and the specific context (notably transitional economies such as Morocco).

The research design is based on a survey administered to a sample of managers and decision-makers from subsidiaries operating within Moroccan hypo-groups.

A. Field Selection and Target Population

The study focuses on Moroccan hypo-groups—decentralized structures combining subsidiary autonomy with strategic coordination. The target population includes operational executives (CEOs, financial and HR managers) from these subsidiaries, selected to reflect Morocco’s sectoral and geographical diversity. This setting enables an analysis of the balance between delegation and alignment in a context shaped by local specificities, such as informal networks and family governance.

B. Measurement Instrument

The structured questionnaire was designed specifically to test the three hypotheses (H1, H2, H3) regarding the impact of different types of autonomy on strategic alignment. The instrument is based on validated scales from the literature and includes the following sections:

Independent Variables (Autonomy):

Strategic Autonomy (H1):

- Ability to define market orientations (scale adapted from Lawton et al., 2024)
- Freedom in choosing local partnerships (Birkinshaw & Morrison, 1995)
- Level of initiative in innovation (Likert scale 1–5)

Financial Autonomy (H2):

- Control over operational budget (Gates & Egelhoff, 1986)
- Ability to carry out local investments without central approval (O’Donnell, 2000)
- Autonomous management of cash flows (Likert scale 1–5)

Organizational/HR Autonomy (H3):

- Freedom in recruitment and salary policies (Ferner et al., 2004)
- Adaptation of managerial practices to local context (Likert scale 1–5)

Dependent Variable (Strategic Alignment):

- Degree of convergence between local and global objectives (Ghoshal & Nohria, 1989)
- Perceived consistency of decisions with the headquarters’ vision (Likert scale 1–5)

C. Sampling Method and Data Collection

The sample will be constructed using a non-probability purposive sampling method, with the goal of ensuring sectoral diversity and organizational representativeness. The questionnaire will be administered through a hybrid approach: online (via Google Forms or Qualtrics) and in-person in select partner companies. The target is to collect at least 246 usable responses to allow for robust statistical analysis.

1. Operationalization of Variables

The operationalization of variables is a key step to ensure the validity and reliability of the measures used in this study. Theoretical concepts have been translated into measurable variables using scales adapted to the study’s context.

1.1 Dependent Variable: Strategic Alignment

To assess the degree of strategic alignment between subsidiaries and headquarters, the questionnaire includes four main items adapted from validated scales in the literature. These items capture both the convergence of objectives and operational coordination. The following table presents the selected indicators and their theoretical sources.

Table 2: Measurement of Strategic Alignment – Items and Theoretical Foundations

Measurement Item	Scale source
To what extent are your subsidiary’s strategic objectives aligned with those defined by headquarters?	Ghoshal & Nohria (1989); Birkinshaw & Morrison (1995)
To what extent do your subsidiary’s operational decisions reflect the group’s global strategy?	O’Donnell (2000); Bouquet & Birkinshaw (2008)
To what extent do you share a common vision with headquarters regarding long-term development?	Gates & Egelhoff (1986); Lawton et al. (2024)
How frequently are local strategic adjustments coordinated with headquarters?	Ferner et al. (2004); Lazarova et al. (2017)

Source : Autors

2.2 Independent Variable: Strategic Alignment

The study assesses three types of subsidiary autonomy—strategic, financial, and organizational—through specific items, each corresponding to a research hypothesis. The following table outlines the operational indicators and their theoretical foundations.

Table 3: Measurement of Subsidiary Autonomy Variables

Autonomy Dimension	Measurement Items	Theoretical Foundations
Strategic Autonomy (H1)	<ul style="list-style-type: none"> Ability to define market orientations Freedom in choosing local partnerships Level of initiative in innovation 	Lawton et al. (2024) Birkinshaw & Morrison (1995) Original scale (Likert 1–5)
Financial Autonomy (H2)	<ul style="list-style-type: none"> Control over operational budget Capacity to carry out local investments without approval Independent management of cash flows 	Gates & Egelhoff (1986) O’Donnell (2000) Original scale (Likert 1–5)

Organizational/HR Autonomy (H3)	<ul style="list-style-type: none"> Freedom in recruitment and salary policy Adaptation of managerial practices to the local context 	Ferner et al. (2004) Original scale (Likert 1–5)
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2. Reliability and Validity of the Measures

In this study, the reliability and validity of the measurement instruments were examined through a pre-test of the questionnaire conducted with a sample of 246 managers from subsidiaries within hypo-groups, randomly selected from the target population. The collected data were analyzed using SPSS software (version 26) to ensure the rigor and robustness of the results.

The internal consistency of the scales was assessed using Cronbach’s Alpha coefficient. The results indicate high reliability for the majority of measured dimensions, as shown in Table 4 below:

Table 4 : Reliability Results of the Scales

Item-Total Statistics				
Item	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach’s Alpha if Item Deleted
Align_str1	38,75	93,104	,737	,872
Align_str2	38,71	90,714	,734	,871
Align_str3	38,55	93,554	,701	,873
Aut_str1	38,63	89,720	,728	,871
Alig_str1	38,82	89,617	,752	,870
Alig_str2	39,06	102,266	,485	,884
Alig_str3	39,11	100,253	,435	,886
Alig_str4	38,69	93,178	,727	,872
Aut_fin1	39,24	109,024	,138	,893
Aut_fin2	39,15	99,739	,369	,890
Aut_fin3	39,29	98,681	,381	,890
Aut_grh1	39,14	91,763	,593	,879
Aut_grh2	39,00	88,482	,673	,875

Source: Results generated using SPSS (version 26) by the authors

These results confirm that items within each scale converge to measure the same construct. Furthermore, the correlations between dimensions are moderate, thereby supporting the conceptual independence of the scales (discriminant validity).

The reliability and validity analyses demonstrate high internal consistency and satisfactory validity for the scales measuring decision-making autonomy, subsidiary size, subsidiary age, financial independence of subsidiaries, environmental uncertainty, interdependence among subsidiaries, the manager’s experience, and the level of trust. These findings confirm the relevance and robustness of the instruments used in this research.

IV. Results and Discussion

A. Presentation of the Results

1. Overall Analysis of the Studied Relationships

1.1 The relationship between strategic alignment with headquarters and the strategic, financial, and organizational autonomy of subsidiaries:

The multiple regression analysis indicates that the overall model is statistically significant ($F(3,75) = 36.535, p < 0.001$), explaining 53.23% of the total variance in the dependent variable, decision-making autonomy ($R^2 = 0.594, adjusted R^2 = 0.609$). The standard error of the

estimate is 0.671, suggesting a good fit between the model's predictions and the observed values.

Table 5 : Model Summary

Model Summary ^b				
Model	R	R-squared	Adjusted R-squared	Standard Error of the Estimate
1	,744 ^a	,594	,609	,67181496
a. Predictors: (Constant), REGR factor score 1 for analysis 1, REGR factor score 1 for analysis 1, REGR factor score 1 for analysis 1				
b. Dependent Variable: REGR factor score 1 for analysis 1				

2.2 Contributions of the Predictors in the Multiple Regression Model:

The standardized coefficients (β) indicate that all three predictors included in the model contribute to strategic alignment (see Table 6). Strategic autonomy has the strongest effect ($\beta = 0.594$, $p < 0.001$), followed by financial autonomy ($\beta = 0.220$, $p < 0.001$). Organizational autonomy, however, does not show a statistically significant effect ($\beta = -0.018$, $p = 0.688$). Collinearity diagnostics confirm the robustness of the model, with tolerance indices equal to or greater than 0.6 and variance inflation factors (VIF) below 2.

2.3 Hypothesis Testing

The hypotheses formulated in this study were tested using multiple regression analysis. The results of the tests are presented in Table 2 and discussed below:

Table 6: Hypothesis Testing Results

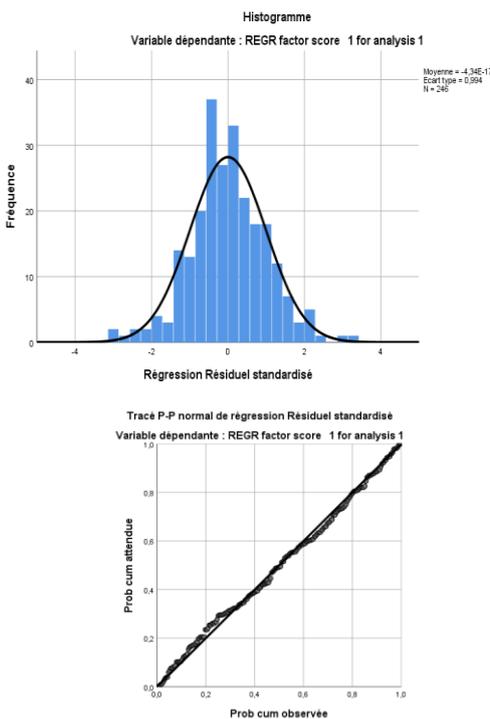
Hypotheses	β	t	p	Result
H1. The higher the level of strategic autonomy of subsidiaries, the lower the strategic alignment with headquarters.	0,594	8,613	,000	Supported
H2. The higher the level of financial autonomy of subsidiaries, the lower the strategic alignment with headquarters.	0,220	3,141	,002	Supported
H3. The higher the level of human resource management autonomy of subsidiaries, the lower the strategic alignment with headquarters.	-0,018	7,362	,000	Supported

Source: Data extracted by the authors using SPSS (v26)

2.4 Residuals and Model Validity

Residual diagnostics confirmed the validity of the model. The standardized residuals follow a normal distribution, as illustrated by the histogram (Figure 1), and the predicted values align closely with the observed values in the standardized residuals versus predicted values plot (Figure 2). No issues of heteroscedasticity or autocorrelation were detected.

Fig 1 : Histogram of standardized residuals



B. DISCUSSION OF RESULTS

H1. The higher the level of strategic autonomy of subsidiaries, the lower the strategic alignment with headquarters.

The results reveal a significantly positive influence of subsidiaries' strategic autonomy on their alignment with headquarters ($\beta = 0.594$, $p < 0.001$). This relationship supports the findings of Lawton et al. (2024) and Birkinshaw & Morrison (1995), suggesting that increased strategic autonomy tends to weaken strategic coherence between subsidiaries and headquarters. In the specific context of Moroccan hypo-groups, this phenomenon may be explained by:

The dynamics of local markets requiring rapid strategic adaptation

The complexity of Moroccan institutional environments
The emergence of local centers of excellence developing their own strategic orientations

H2. The higher the level of financial autonomy of subsidiaries, the lower the strategic alignment with headquarters.

The analysis reveals a significantly positive relationship between subsidiaries' financial autonomy and the weakening of strategic alignment with headquarters ($\beta = 0.220$, $p < 0.001$). This result corroborates the findings of Gates & Egelhoff (1986) and O'Donnell (2000), confirming that increased delegation of financial decision-making tends to reduce overall strategic coherence. In the Moroccan context, this dynamic is particularly explained by:

Decentralized management of local budgets and investments

Autonomous capacity for fundraising and cash management

Specificities of regional financial markets

The moderate magnitude of the coefficient ($\beta = 0.220$) suggests that although financial autonomy has a significant impact, it is less pronounced than the effect of strategic autonomy on misalignment. This finding aligns with Ferner et al. (2004), who emphasize the moderating role of financial control mechanisms.

H3. The higher the level of autonomy in human resource management, the lower the strategic alignment with headquarters.

Contrary to the initial hypothesis, the results show a non-significant relationship between HR autonomy in subsidiaries and strategic alignment ($\beta = -0.018$, $p = 0.688$). This absence of statistical correlation—surprising in light of previous literature (Ferner et al., 2004; Lazarova et al., 2017)—suggests that, in the Moroccan context:

Local HR policies seem to coexist with global strategy without generating major tensions

Decentralized management of recruitment and managerial practices does not appear to affect strategic coherence

Informal coordination mechanisms may compensate for formal discrepancies.

V. Conclusion and Managerial Implications

This study contributes to the understanding of decentralized governance and strategic alignment within hypo-groups, particularly in the context of emerging economies such as Morocco. Drawing on a sample of 246 subsidiary managers, the findings underscore the ambivalent effects of autonomy: while strategic and financial autonomy significantly weaken alignment with headquarters, HR autonomy does not exert a statistically significant impact. These results highlight the need for nuanced governance strategies that balance local responsiveness with overarching strategic coherence.

From a theoretical standpoint, the study enriches the literature on hybrid governance and subsidiary management by demonstrating that the effects of autonomy vary by dimension. The empirical support for the negative impact of strategic and financial autonomy reinforces the relevance of agency theory and embeddedness in explaining misalignment risks in decentralized structures.

Conversely, the absence of significant impact from HR autonomy suggests the stabilizing role of informal coordination mechanisms in culturally embedded contexts. From a managerial perspective, these insights offer several implications:

Calibrated Autonomy: Headquarters should tailor the level of autonomy granted to subsidiaries based on the type of decision involved. Strategic decisions require tighter coordination mechanisms to preserve alignment, whereas organizational decisions may tolerate more flexibility.

Strengthen Informal Mechanisms: In contexts where formal integration is limited, relational levers such as trust-building, shared culture, and frequent communication become essential tools for maintaining coherence across decentralized units.

Develop Hybrid Governance Tools: Implementing performance-based dashboards, cross-functional teams, and horizontal coordination platforms can mitigate the risks associated with excessive autonomy while preserving local initiative.

Contextual Adaptation: Emerging economies present specific challenges—including institutional variability and informal managerial practices—that require adaptive governance frameworks rather than one-size-fits-all solutions.

Future research could explore the longitudinal dynamics of strategic alignment in hypo-groups and examine whether digital transformation or AI-driven governance tools alter the autonomy-alignment relationship. For practitioners operating in transitional economies, this study offers a roadmap to manage autonomy as a strategic asset rather than a liability.

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