

# **So Good, but So Far Away? The Effect of Institutional Distance on the Parent CSR and Subsidiary Reputation Link**

F.J. Forcadell Martínez; J.J. Nájera Sánchez; E. Aracil Fernández; F. Úbeda Mellina

## **Abstract-**

**Multinational enterprises (MNEs) leverage strategies of Corporate Social Responsibility (CSR) at the parent and subsidiary levels to build a reputation overseas. Nevertheless, institutional distance can weaken this connection in developing host countries, where MNEs face significant institutional voids. We explore the mechanisms through which CSR enhances subsidiary reputation, focusing on how stakeholders in host developing countries perceive CSR signals sent from headquarters. We further explore the moderating role of formal and informal institutional distance in this relationship. Using a panel of MNEs headquartered in developed countries and operating across Latin America, we employ a multi-stakeholder indicator of the subsidiary reputation based on assessments from key host country stakeholders. The analysis controls for country, corporate, and subsidiary-level factors, including a variable derived from big data analytics. By examining the cross-country parent CSR signals and their subsidiary reputation effects, this study advances the international business literature, providing new insights into how institutional distance shapes the local reputational outcomes of parent CSR strategies.**

**Index Terms- big data ; corporate social responsibility ; emerging countries ; ESG ; institutional distance ; institutions ; reputation**

Due to copyright restriction we cannot distribute this content on the web. However, clicking on the next link, authors will be able to distribute to you the full version of the paper:

[Request full paper to the authors](#)

If your institution has an electronic subscription to Business Ethics, the Environment & Responsibility, you can download the paper from the journal website:

[Access to the Journal website](#)

## **Citation:**

*Forcadell, F.J.; Nájera-Sánchez, J.J.; Aracil, E.; Úbeda, F. "So Good, but So Far Away? The Effect of Institutional Distance on the Parent CSR and Subsidiary Reputation Link", Business Ethics, the Environment & Responsibility, , .*