
Article:
Couper, C. orcid.org/0000-0002-7143-3458 (2019) Institutional bridging for SME high-distance internationalisation to China: a contextualised explanation. Management and Organization Review, 15 (2). pp. 307-340. ISSN 1740-8776

https://doi.org/10.1017/mor.2019.25

Institutional bridging for SME high-distance internationalisation to China: A contextualised explanation

Carole Couper
Sheffield University Management School
Conduit Road
Sheffield S10 1FL
United Kingdom
0044 114 2223475
Email: c.couper@sheffield.ac.uk

Abstract

This paper offers a contextualised explanation of the process of institutional bridging by Delta, a British SME, in order to internationalise to China across high institutional distance. The study uncovers three novel mechanisms of 'Cross-institutional Dissonance Mitigation', 'Multi-level Strategic Embedding' and 'Cross-institutional Consonance Retuning' to explain how and why a failing SME with limited resources and networks was able to bridge the institutional distance and internationalise to the challenging Chinese market. The paper contributes to the literature on SME internationalisation across high institutional distance by opening the 'black box' of SME institutional bridging, hence demonstrating the benefits of contextualised explanations to extend research into internationalisation phenomena that span multiple institutional boundaries.

Keywords

Contextualised explanation, institutional distance, institutional bridging, SME internationalisation, UK/China.

INTRODUCTION

Over the last two decades, 'West-Meets-East' business interactions that involve SMEs as opposed to larger firms have been increasing (Li & Ma, 2015; Lin, Lu, Li & Liu, 2015). The high institutional distance that characterises those interactions (Child, Rodrigues and Frynas, 2009) presents SMEs with complex challenges, especially when distance equates with a lack of appropriate knowledge and networks (Fletcher & Harris, 2012; Ojala, 2009). While some SMEs may benefit from being managed by transnational entrepreneurs (Lin, Lu, Li & Liu, 2015), this is hardly the case for the majority of internationalising SMEs. So how do these smaller firms manage to overcome the challenges of internationalisation across high institutional distance?

The literature suggests that in order to internationalise across institutional distance, SMEs must 'span the institutional distance between national contexts', an entrepreneurial capability described as 'institutional bridging' (Karra, Phillips & Tracey, 2008: 447). Through institutional bridging, SMEs may acquire the right social and cultural knowledge, develop the appropriate networks for internationalisation and increase their stocks of human capital in order to operate in the host market. Bridging is rooted in the social networks literature (Burt, 1995) and implies a process where access to a suitable network bridging connection is achieved. When the distance between home and host markets is high however, SMEs may not have access to the right networks in order to internationalise (Ellis, 2011; Ojala, 2009), making the institutional bridging process more challenging. Internationalisation across high institutional distance leaves SMEs with a conundrum: how do they successfully bridge high institutional distance without appropriate knowledge and networks?

Solving this puzzle has important implications. Despite the impact of the institutional distance on internationalisation (Estrin, Baghdasaryan, & Meyer, 2009; Meyer, Estrin, Bhaumik, & Peng, 2009), research exploring how institutional differences may be reconciled is scarce (Child & Marinova, 2014). SMEs have also been shown to be more sensitive to the

effects of differences in institutional context (Schwens, Eiche & Kabst, 2011), while research interested in SME internationalisation across high institutional distance remains limited (Baum, Schwens & Kabst, 2015). From a theoretical perspective, explaining how and why SMEs may bridge high institutional distance would improve extant knowledge of high distance SME internationalisation. Furthermore, identifying mechanisms that may explain the process of high distance institutional bridging would illustrate how and why the institutional distance may be managed and support an increasing number of smaller firms (Li & Ma, 2015; Lin et al., 2015) in their attempts to internationalise to distant markets.

The paper investigates and explicates SME institutional bridging for high distance internationalisation by offering a contextualised explanation (Welch, Piekkari, Plakoyiannaki & Paavilainen-Mäntymäki, 2011) of the highly successful internationalisation to China, and through institutional bridging, of Delta, a British SME. Sensitivity to context is particularly critical in internationalisation studies that span multiple institutional settings (Child, 2009; Welch et al., 2011), although accounting for context when theorising remains a challenge. Contextualised explanations (Welch et al., 2011) offer an alternative approach to theorizing that reconciles context and explanation through the case-based study of phenomena within their rich context. Contextualised explanations are underpinned by a critical realist ontology (Bhaskar, 2014). The critical realist's stratified view of the world is particularly appropriate for the study of complex phenomena that are best explained holistically through the discovery of deep-seated and unobservable causal mechanisms (Pajunen, 2008; Welch et al., 2011). By studying an insightful case of institutional bridging within its context, the paper offers a holistic explanation of the mechanisms (how and why) that caused Delta to span the institutional distance to China. More specifically, Delta's institutional bridging process was explained through three causal mechanisms, labelled 'Cross-institutional Dissonance Mitigation' 'Multi-level Strategic Embedding' and 'Cross-institutional Consonance

Retuning'. These mechanisms enabled Delta to internationalise across high institutional distance in spite of significant resource and network constraints.

Through the contextualised explanation of Delta's institutional bridging process, the paper offers two core contributions. First, the study extends current theory of 'institutional bridging' as a capability for entrepreneurial internationalisation (Karra et al., 2008) by offering an explanation of the process of institutional bridging by the internationalising SME across high institutional distance. By doing so, the paper also extends theory of SME internationalisation across high institutional distance (Coeurderoy & Murray, 2008; Ellis, 2011; Kiss & Danis, 2008; Ojala, 2009; Schwens et al., 2011) by providing an explanation of some of the mechanisms that may enable resource-constrained internationalising SMEs to overcome the challenges of high institutional distance. Current theory of SME internationalisation across institutional distance highlights the impact of high institutional distance (e.g., Coeurderoy & Murray, 2008). This paper goes further and offers a theoretical explanation of the mechanisms that may mitigate the challenges of high institutional distance and support the internationalisation of SMEs in that context. Second, the paper presents a methodological contribution by applying the contextualised explanation perspective (Welch et al., 2011) to an empirical case of internationalisation across high institutional distance. In so doing, the paper demonstrates the benefits of contextualised explanations for theorising in a way that is sensitive to differences in institutional context (Child, 2009; Welch et al., 2011), hence reconciling explanation and context. Finally, the paper offers some novel methodological insights into the conduct of qualitative research in the emerging market of China.

THEORETICAL BACKGROUND

The impact of high institutional distance on SME internationalisation

This paper aims to explain the process of institutional bridging in the context of SME internationalisation across high institutional distance. When the institutional distance present between markets is high, firms and individuals will be embedded into significantly dissimilar

institutional frameworks. Institutions are 'comprised of regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life' (Scott, 2008: 51). Regulative institutions are coercive rules which are legally sanctioned; they are complemented with normative and cultural-cognitive institutions which are based on socially binding expectations (norms) and taken-for-granted shared understanding (or cognitive frames of reference). As a result, the latter informal components of institutions are 'morally governed' and 'culturally supported' (Scott, 2008: 52).

Extant internationalisation research (Abdi & Aulakh, 2012; Brunning, Sonpar & Wang, 2012; Orr & Scott, 2008) highlights that the absence of common rules, shared normative expectations and mutual understanding can have a negative impact on firms' internationalisation. Orr and Scott (2008)'s case studies of large scale global projects for instance introduced the term 'institutional exceptions' to describe how variations in rules, norms and cultural beliefs impeded the success of cross-border collaborative projects. Brunning et al. (2012) also highlighted that differences in values, attitudes, norms and beliefs could negatively impact the performance of Western expatriates in China by creating 'dissonance'. Abdi and Aulakh (2012) found that differences in the informal institutional arrangement between large firms created difficulties in the governance of their relationships.

Due to resource-limitations, internationalising SMEs are more sensitive to differences in institutional context than larger firms (Schwens et al., 2011). When the institutional distance (Kostova, 1999) that separates an SME's home market from the prospective host market is high, SMEs often lack knowledge of focal markets (Fletcher & Harris, 2012), making internationalisation more challenging. In spite of the importance of the institutional distance in the international business literature (Estrin et al., 2009; Meyer et al., 2009), studies investigating this dimension in the context of small firms' internationalisation are limited (Baum et al., 2015). Rare examples include research showing that regulatory distance will impact location decision for high-tech SMEs (Coeurderoy & Murray, 2008), while Kiss and

Danis (2008) highlight how a country's institutional context may moderate the effect of weak and strong ties on the speed of internationalisation. This begs the question as to how SMEs may be able to overcome the challenges of institutional distance in order to internationalise.

Institutional Bridging for SME Internationalisation across High Institutional Distance

The consensus within the small firm's internationalisation literature is that SMEs may overcome their resource limitations by drawing on their networks (Baum et al., 2015; Coviello, 2006). Networks have been portrayed as critical, with small firms' internationalisation commonly pictured as driven by existing international networks (Cabrol, Favre-Bronte & Fayolle, 2009; Coviello & Munro, 1997; Evers & O'Gorman, 2011). Networks can also provide SMEs with knowledge of foreign market opportunities (Ellis, 2000) and learning from networks is deemed essential for smaller firms' international growth post-entry (Prashantham & Dhanaraj, 2010). On that basis, Karra et al. (2008: 447) suggest that in order to internationalise across institutional distance, SMEs must 'span the institutional distance between national contexts', an entrepreneurial capability described as 'institutional bridging'. Through institutional bridging, SMEs may acquire the right social and cultural knowledge, develop the appropriate networks for internationalisation and increase their stocks of human capital in order to operate in the host market.

Bridging takes its roots in social network theory (Burt, 1995; 2011) and involves creating a bridge (new connection) between two network points 'where there is no effective indirect connection between third parties' (Burt, 2011:24). In other words, it involves building a link between two individuals that are not otherwise connected through any other indirect connection. Although Burt's theory is particularly useful in settings characterised by rapid and dynamic changes in complex knowledge (Yu, Brett & Oviatt, 2011), such as dynamic emerging markets' environments, institutional bridging as an enabling capability for smaller firm internationalisation is a weak proposition in the presence of high institutional distance.

First, bridging implies a process where identification and access to a suitable network bridging connection is pursued: when the distance between home and host markets is high, networks themselves may be constrained by institutional distance (Ellis, 2011). In that context, SMEs may not possess the right networks to support internationalisation (Ojala, 2009; Fletcher & Harris, 2012) and bridge the institutional distance. SMEs must instead proactively identify new connections in order to create a bridge to the focal market and internationalise (Hara & Kanai, 1994; Loane & Bell, 2006; Tang, 2011). How firms and individuals may bridge new networks, especially when the impact of the high distance is likely to hinder that process, is unclear. The bridging process is not discussed by Burt in his work 'partly because the processes that people use in bridging are so varied and sensitive to context' (Burt, 2011:87).

Herein lies a conundrum for the theory of SME internationalisation across high institutional distance. For the SME to internationalise across high institutional distance, 'institutional bridging' (Karra et al., 2008) is a must-have entrepreneurial capability. In the study's focal context of SME internationalisation across high institutional distance (Kostova, 1999) however, institutional bridging is particularly challenging due to a lack of appropriate knowledge and networks (Fletcher & Harris, 2012; Ojala, 2009). How therefore can institutional bridging for SME internationalisation across high institutional distance be explained?

Theoretical gap and contributions

The earlier discussion highlights some knowledge gaps and leads to important research questions. The literature that integrates SME internationalisation with network bridging (Burt, 1995; 2011) and institutional distance (Kostova, 1999) remains primarily focused on the impact of institutional distance. As a result, the explanation of the process and mechanisms that enable institutional bridging for SME internationalisation across high institutional distance remains limited (Jennings, Greenwood, Lounsbury & Sudaby, 2013). The larger firm

internationalisation literature does shed some light as to the types of mechanisms that may underpin 'institutional bridging', although deeper explanations are lacking. Abdi and Aulakh (2012) suggest for instance that arrangements developed between firms have the capacity to overcome the difficulties created by differences in the informal institutional arrangement. The use of a large survey however does not reveal the mechanisms behind the effectiveness of those 'informal arrangements'. More interestingly, Brunning et al. (2012: 445) propose that the 'dissonance' created by differences in informal institutions between Western expatriates and their Chinese colleagues can be better tuned through 'socializing activities', although how and why this may be so remains unexplained.

The ability of internationalisation theory to explain how and why SMEs are able to internationalise across high institutional distance matters. Globalisation and the increasing dominance of emerging markets have led a growing number of SMEs to internationalise further away from home (OECD, 2017). Besides, internationalisation that takes place between distant Western and Eastern markets - including between the West and China – (Lin et al., 2015) is increasing; and with SMEs representing over 99% of firms in both the UK and China (Li & Ma, 2015), UK-China interactions increasingly involve SMEs, as opposed to their larger multinational counterparts. From theoretical, policy and managerial perspectives, explaining how and why SMEs may internationalise across high institutional distance through 'institutional bridging' (Karra et al., 2008) is both topical and timely. On that basis, the paper aims to contribute to extant theory of small firm internationalisation and explain the process of institutional bridging in the context of SME internationalisation across high institutional distance.

METHOD

Research Design

The study develops a 'contextualised explanation' (Welch et al., 2011) of the process of institutional bridging for SME internationalisation across high institutional distance, and is

informed by a critical realist ontology (Bhaskar, 2014). The critical realist's stratified view of reality allows context 'to be an active player in the nature of the world' (Peters, Pressey, Vanharanta & Johnston, 2013: 339), hence promoting theorising through contextualised causal explanations (Easton, 2010; Welch et al., 2011). Social reality is conceptualised across three strata – or dimensions – labelled as the domains of the empirical - or factual – (human experience of occurring events), the actual (occurring events) and the real (the mechanisms that may generate events if operationalised under certain conditions) (Bhaskar, 2014; Peters et al., 2013).

As an epistemological approach, the contextualised explanation offers an effective response to current theoretical and methodological debates around the importance of the context in internationalisation theory (Welch et al., 2011); and this is particularly true for theories of internationalisation that involve China, where debates on the role played by the 'unique' Chinese context in theories of management is on-going (Child, 2009; Child & Marinova, 2014; Meyer, 2015). Theorising through contextualised explanation is characterized by 'a very particular view of causality as a complex and dynamic set of interactions that are treated holistically' (Welch et al., 2011:754). In other words, as per the critical realist view, causality does not simply refer to the relationship between two variables (cause and effect) but raises the question of 'what caused an event to happen' (Mason, Easton & Lenney, 2013; Sayer, 1992).

Case study research is a particularly suitable design to 'explain in context', since this form of theorising requires in-depth qualitative analysis of 'individual agents within their causal contexts' (Welch et al., 2011: 748). Cases allow the construction of 'causal chains of events' (Welch et al., 2011) through process tracing (George & Bennett, 2005), where the researcher works backwards from a specific outcome (Delta's successful institutional bridging to China) to retrace the multiple steps leading to that outcome. The explanation revolves around

explaining how each step led to the next through the identification of underlying causal mechanisms.

In order to study institutional bridging in the context of SME internationalisation across high institutional distance, the researcher also worked from a single case study. Single case studies are particularly appropriate for contextualised explanations: working on the basis of a single case allowed the researcher to immerse herself into the complexity of the case and analyse the experience of participants, events and contextual structure over time (Easton, 2010). The case was also selected as an insightful case of institutional bridging in the context of SME internationalisation across high institutional distance (Matthyssens, Vandenbempt & Bockhaven, 2013).

Case selection and overview

The focal firm is Delta, a British SME manufacturing engineered industrial products, established in the 19th century. The need for an explanation often originates in a surprising observation, or from an outcome that does not meet expectations, suggesting that current explanations may not be suitable and that unknown causal mechanisms may be at play (Welch et al., 2011). In this study, extant knowledge implies that bridging high institutional distance in the context of SME internationalisation is challenging, especially for firms lacking appropriate knowledge and networks (Fletcher & Harris, 2005). The author's serendipitous encounter with DeltaUK in 2011, in the context of a broader research project on network development between the UK and China, presented such a perplexing picture. Delta was on the brink of bankruptcy, back in 2006, when it was forced to move some of its manufacturing operations to China. Besides, the small firm initially lacked any knowledge of the Chinese market or appropriate network relationships to support its internationalisation. Nonetheless, by 2011, when the author first met Delta UK's Managing Director (from here on DeltaUK MD), the British SME owned an extremely successful Chinese manufacturing subsidiary, DeltaChina. By the time of the last interviews in 2014, the company was thriving and drew

50% of its profits from its Chinese operations: a very dissimilar firm from the near-bankruptcy one of 2006, pre-China entry.

An observation drawn from the researcher's practice of UK-China internationalisation is that initial appearance of success in internationalisation to China by UK SMEs can be misleading, with sudden catastrophic internationalisation network and relationship collapse after three or four years of seemingly successful operation in the market. For that reason, Delta, with its extremely successful record after more than four years in the market at the time of the first interview, was deemed a particularly insightful study case. How and why had struggling, network-limited and knowledge-lacking Delta managed to internationalise to China so successfully? During the initial interview of Delta's MD, the author discovered that Delta UK had internationalised on the strength of a key bridging connection between the MD and its key Chinese Representative, i.e., through institutional bridging. Besides, the UK and China are separated by high distance (Child et al., 2009), hence the case's context was ideal to develop a contextualised explanation of the institutional bridging process across high institutional distance.

The researcher's prior knowledge of the context

The 'contextualised explanation' of a phenomenon through case study (Welch et al., 2011) involves digging beyond the empirically 'observable' (Bhaskar, 2014) in order to unearth explanatory mechanisms that encompass both human agency – or 'intentionality' - and actors' positions within the social structure (Welch et al., 2011: 748). Delving below the surface in the context of Delta's internationalisation to China presents academic researchers with some significant and unique challenges as the research context spans multiple and highly dissimilar institutional frameworks. As a result, the ability of the researcher to dig below the observable, in order to offer a meaningful explanation, requires in-depth familiarity with the context and topic. In other words, the researcher must possess an in-depth understanding of the UK and Chinese institutional frameworks, as well as the SME internationalisation context. As a result,

meaning and explanation of the phenomenon are derived inter-subjectively (Sayer, 1992) through the co-created interpretation of meaning, which is aligned with a critical realist philosophy.

Co-created causal explanations must have 'practical adequacy' to be valid however, i.e., knowledge must generate expectations about the phenomenon that are realised and vary according to context (Sayer, 1992). For adequate knowledge to be developed through a 'contextualised explanation', the researcher must possess in-depth knowledge of the research context within which the phenomenon to be explained is set. For the avoidance of doubt, the author of this study happens to possess such an in-depth knowledge having studied China and the Chinese language since 1981, and been engaged in the practice of international business between the UK and China since the early 1990s. She was able, as a result, to draw from her own experience of UK/China internationalisation, and her knowledge of the dual institutional contexts, in order to delve below the surface of the informants' explicit 'intentionality', and expose the deep mechanisms at play underneath the observable phenomenon. She was nonetheless careful not to let her prior (personal) experience bias the explanation through a reflective process where she cycled iteratively between the literature, the explanation and the data. She further endeavoured to search for alternative explanations of the phenomenon (Sayer, 1992), through the involvement of three UK-China internationalisation experts and three academics with experience of the UK-China institutional and internationalisation contexts; their roles were to act as 'devil's advocates' and question the emerging explanation. Finally, she was careful to provide a transparent and detailed explication of the data collection and analysis process, which are now discussed in greater detail.

The Data Collection Process in view of Critical Realism

The study's critical realist ontology implies that the explanation of the phenomenon that is 'institutional bridging in the context of SME high distance internationalisation' will involve regressing from reasons and events, down to inferred rules and finally to structures (Sayer,

1992). In practical terms, this means moving from the empirical data down to reasons and rules in order to infer structures at the level of the real (Bhaskar, 2014; Sayer, 1992). Structures, from a critical realist perspective, are 'sets of internally related objects or practices' (Sayer, 1992: 92). The structure of a phenomenon can be discovered by asking questions such as 'what does the existence of this event presuppose?' 'Can this happen on its own? If not, what else must be present?'

The 'reasons' behind events or actions can be apprehended empirically through the interview process, albeit via participants' own interpretations of events which may be 'idealized' and divergent (Piekkari, Plakoyiannaki & Welch, 2010). Participants may not necessarily be aware of the full range of reasons guiding their own behaviour either (Sayer, 1992): informal institutional rules that guide human behaviour for instance have often been internalised, hence becoming invisible to participants. In order to mitigate this limitation and to collect a 'multivoiced' (Piekkari et al., 2010: 111) interpretation of events, the researcher endeavoured to collect data across a wide range of participants, within and out with Delta, each with diverse perspectives of the events of interest. Data was also collected through a variety of methods, including interviews, observation and documentary material (Piekkari et al., 2010; Welch et al., 2011).

As the research setting spanned home and host markets, access was negotiated with key actors on both sides of the organisational bridging dyad (Piekkari et al., 2010): the intent was to combine – as opposed to compare - dual institutional perspectives (e.g., Carney, Dieleman and Taussig, 2015). Interviews of UK-China internationalisation and institutions experts were also conducted to gather in-depth knowledge of the context within which actors were positioned.

The Interview Process

Over the next three years (2012-2014), the researcher travelled multiple times between the UK and China and conducted 21 interviews of relevant Delta's employees, alongside

external contacts with knowledge of Delta (Table 1) and experts in UK-China internationalisation process and setting.

Insert Table 1 around here

During the interviews, participants were first asked to relate the process followed by Delta in order to internationalise to China. This line of questioning led to the gathering of a temporal sequence of events (Sayer, 1992) as experienced by the participants. The researcher then proceeded to ask participants to explain why certain events had taken place the way they did: this approach led informants to enter into a reasoned explanation of events (Sayer, 1992). The researcher proceeded to dig deeper into the reasoned explanation by asking participants to explain their behaviour and reasoning further. By digging beneath the surface, the researcher was able to gain insight into institutional rules and norms that had shaped events without participants being aware of their influence (Sayer, 1992).

In addition, the two core informants, DeltaUK Managing Director (from here on DeltaUK MD) and DeltaChina General Manager (from here on DeltaChina GM) were interviewed on repeated occasions. The researcher was therefore able to explore any evolution in their perspectives, as well as probe deeper into their explanation of Delta's internationalisation. For instance, in his first interview, DeltaUK MD mentioned searching for a Chinese National in the UK as a potential representative of DeltaChina. This was surprising as, from her prior knowledge of UK-China internationalisation, the researcher was aware that most firms would tend to search for a China representative within the Chinese market, where the search population is much larger. During the second interview of DeltaUK MD, the researcher delved deeper by asking why he had decided to identify a Chinese National in the UK as opposed to China. The ensuing discussion unearthed DeltaUK's concern that the future

representative should have dual understanding of both the British and Chinese environments. The researcher was then able to dig further and explore why DeltaUK was keen on duality, which unearthed a previous negative experience with the high distance market of India. As a result, DeltaUK had been sensitized to (a) the challenges of high institutional distance and (b) the importance of dual 'UK-high distance market familiarity' to overcome those challenges. This was one in a myriad of examples of the way the data was collected and the explanation was developed; hence data collection and analysis, although presented linearly in the paper, were conducted in an iterative manner, with early analysis leading to further data collection in order to dig deeper into emerging findings.

Observation

Interviews as the sole source of data have limitations (Piekkari et al., 2010) as respondents are rarely aware of the effects of the real (Bhaskar, 2014) reasons that may influence both their behaviour and the observed events (Sayer, 1992). Instances of observation supported the interview data by offering insights into the running of DeltaChina and the behaviour of DeltaChina GM when interacting with either British or local Chinese staff and visitors. Observational data was recorded through field notes (Corbin & Strauss, 2008: 123) that included both observational and analytical remarks about the context and the behaviour of the participants.

Two occurrences of observation took place at the same time as the interviews of DeltaChina GM in March 2012 and October 2012 in China. The author was able to observe (a) a meeting between DeltaChina GM and two British members of a UK delegation and (b) Delta interact with employees and factory staff while she was visiting Delta's Chinese factory and offices. The observation of the interaction between DeltaChina GM and members of the delegation offered evidence of changes in his behaviour when switching between British and Chinese audiences. It suggested that invisible rules (Sayer, 1992) operated below the surface, leading DeltaChina GM to modify his behaviour. On a later visit to Delta's Chinese

subsidiary, the researcher was further able to observe DeltaChina GM's adapting his communication style when engaging with his local Chinese staff and when interacting with his British Technical Director (from here on DeltaChina TD).

During the observation periods, the researcher was also able to chat informally with local DeltaChina staff, which helped establish rapport with Chinese participants that were later interviewed. This is an important part of the research process in a China context where building trust with research participants is essential (Stening & Zhang, 2007).

Documentary material and expert interviews

Documentary material and expert interviews were mainly used for further contextualisation of the emerging explanation of Delta's internationalisation to China. Documentary resources offered a more 'operational' perspective of Delta than self-reported and potentially 'idealised' interview data (Piekkari et al., 2010). The material included company brochures and general company information, both in English and Chinese, as well as internet-based press releases covering the period 2011 to 2018.

In addition, the researcher interviewed five UK-China trade and practice experts, two being Chinese Nationals (a UK-China Trade expert and a Government Trade Official) and three being Caucasians (one SME UK-China internationalisation practitioner, one Government trade expert and one legal UK-China expert). Three of the experts had direct knowledge of Delta's internationalisation to China and were able to clarify some of the context surrounding Delta's internationalisation process. Among those was a UK local government China trade expert with personal knowledge and experience of the Delta case from the initial decision to enter the Chinese market in 2006 to more recent events. He was able to clarify some of the context and build on DeltaUK MD and DeltaChina GM's accounts of the early stages of Delta's internationalisation to China. The legal expert offered in-depth knowledge of the UK and Chinese formal institutional environments - and of their differences. Experts were also

asked for feedback about the explanation as it emerged, with their feedback leading to some minor refinements in relation to contextual factors.

Data Analysis

Analysing data in light of a critical realism ontology and contextualised explanation approach

Explaining in context (Welch et al., 2011) requires contextualising phenomena and their constituting events to identify the conditions that are necessary for those events to occur (Sayer, 1992). Such conditions are then conceptualised as generative – or causal – mechanisms, apprehended through a process of retroduction as 'a mode of inference in which events are explained by postulating (and identifying) mechanisms which are capable of producing them (Sayer, 1992: 107). For instance, in this case, the researcher asked what kind of attributes and powers (Bhaskar, 2014) DeltaChina GM must possess for institutional bridging to take place: 'What is it about DeltaChina GM that makes him do x and y? And how did these attributes and causal powers operate, how did they interrelate?' This task meant discriminating between external or contingent relationships – those relationships that do not create significant effects on the phenomenon of institutional bridging – and internal or necessary relationships – those relationships that are critical to the phenomenon (Bhaskar, 2014; Sayer, 1992).

Data Analysis Process

Research data was first transcribed in English and Chinese before being entered into an Access database for early categorisation around broad themes drawn both from the early analysis of the data and the literature. These themes included 'regulative institutions', 'normative tension' or 'bridging process'. A native Chinese academic verified the transcriptions from Mandarin Chinese, as well as the interpretation of the data collected from the Chinese informants (Stening & Zhang, 2007). Although quotes from the data are reported in English in this paper - for concision and the benefit of non-Chinese readers - data was

analysed in the native language (Chinese and/or English) throughout, in order to retain richness and nuances in the language. The researcher was able to avoid the risks linked to the translation of data into English such as issues of cognitive, linguistic and pragmatic equivalence (Chidlow, Plakoyiannaki & Welch, 2014) or cultural interference (Holden & Michailova, 2014). In addition, categorisation and reduction of the raw data (Miles & Huberman, 1994; Tracey & Phillips, 2016) was undertaken in order to abstract higher order themes and aggregate theoretical concepts from the concrete case data (Sayer, 1992). This analytical process allowed the identification of three critical and necessary theoretical components of the causal mechanisms conceptualised as 'institutional hybridity', 'cross-institutional dissonance' and 'cross-institutional consonance'.

The data analysis then proceeded with the development of a timeline of Delta's institutional bridging process to China. From the timeline, three key events labelled 'institutional bridge creation'(E1), 'institutional bridge reinforcement'(E2) and 'institutional bridge maintenance' (E3) were identified through 'temporal bracketing' (Langley, Smallman, Tsoukas & Van de Ven, 2013) (Table 2).

Insert Table 2 around here

From that timeline of critical events, the researcher proceeded to trace the process (George & Bennett, 2005) of Delta's institutional bridging to China by analysing how and why one step of the process had led to the next (Figure 1).

Insert Figure 1 around here

Questions such as 'why did DeltaUK GM select one candidate over the other?' led to identification of 'familiarity with UK culture' as a critical reason for the selection of the

future representative of the firm for instance. This technique clearly highlighted the role that contextual factors had played in Delta's institutional bridging process to China, hence bringing the context back into the processual analysis. Furthermore, clarity about events to be explained is essential to a 'contextualised explanation' on the basis of critical realism (Sayer, 1992). Through retracing the process, critical events for each stage of the institutional bridging process were identified.

Finally, and consistent with the 'contextualised explanation' perspective (Welch et al., 2011), the explanation was developed through the discovery of the necessary component parts of the mechanisms and their relationships (Pajunen, 2008) for each event (E1, E2, E3). Discovery of the mechanisms meant asking questions such as: 'What does Delta's recruitment process of DeltaChina GM assume? What does DeltaUK MD's difficulty in making sense of the information in China presuppose?' (Sayer, 1992). In addition, alternative events that did not happen (recruitment of a Chinese National in China rather than the UK) offered valuable insights (Easton, 2010). 'If DeltaChina GM had not spent time at Delta's UK Head Office, what would have changed?' Answers to these questions highlighted the presence of unobserved rules and practices linked to the Chinese institutional context. Identifying the necessary relationships between research entities (e.g., DeltaUK MD and DeltaChina GM), their attributes (e.g., prior experience of high institutional distance or institutional hybridity), and structure (e.g., lack of network access and high institutional distance) led to identification of causal mechanisms that explained in context the event of interest (e.g., the recruitment of DeltaChina GM). An important task was to root out any contingent relationship from the mechanistic explanation by exploring whether the removal of a particular attribute or condition would, or would not, change the resulting event (Sayer, 1992). For instance, may a lack of prior experience of India have led DeltaUK GM to emphasize different criteria for the recruitment process?

The emerging explanation was further discussed with three external academics, one Chinese and two non-Chinese, who were all unfamiliar with the case and played the role of 'devils' advocates'. Results from the analysis of the data are discussed next.

RESULTS

In line with critical realist assumptions, the findings from the analysis of the data are structured around the three strata of the empirical experiences of the research participants, actual events, and the identification of real causal mechanisms. The experiences of the participants in relation to the three critical events (E1, E2 and E3) are discussed first. Key events (E) are then articulated around the temporal brackets highlighted through the timeline (Table 2). Critical steps in Delta's institutional bridging process were abstracted from the timeline as the basis for retracing Delta's journey from its last step in 2014, i.e., 'institutional bridging connection maintained over time', back to its first step, i.e., Delta decides to set-up manufacturing in China' (Figure 1). Tracing the process backwards, from one step back to the previous one, drew both from the participants' experience of the process and from the implied structures inferred from the institutional, network, internationalisation and SME contexts. This form of analysis helped identify the contingent and necessary conditions that explained the steps followed by DeltaUK and resulted in a descriptive explanation of Delta's institutional bridging process to China (Figure 1). This explanation had to be further conceptualised to generate a more abstract and theoretical explanation. The multiple steps were reduced down to three key events to be explained: institutional bridge creation (E1), institutional bridge reinforcement (E2) and institutional bridge maintenance (E3).

The first Event (E1) revolves around the creation of an institutional bridge in order to internationalise to China. The second Event (E2) is concerned with DeltaUK reinforcing their institutional bridge to protect themselves from risks of opportunistic behaviour by DeltaChina. The final Event (E3) is focused on maintaining the bridge between DeltaUK and

DeltaChina. In turn, the rationale and explanation for each causal mechanism (CM1, CM2 and CM3) follows the discussion of Experiences and Events.

Experiences: Reasons for Delta's institutional bridging process to China

The discussion of Delta's experience of the process of institutional bridging to China unearthed participants' perceptions of the reasons why each step in the process had led to the next.

Experience 1: *The reasons for DeltaUK's institutional bridging creatio*n process

Why had DeltaUK created their China bridge by recruiting a Chinese National and UK Graduate in the UK? Digging deeper into the reasons behind that decision highlighted a combination of factors. First, DeltaUK lacked knowledge and networks in order to internationalise to China. Even with the support on the ground of both the large, China-experienced, customer and of a British Government's trade organisation, making sense of the Chinese environment had proved too difficult for DeltaUK MD. This difficulty to make sense of the Chinese context was developed into the concept of 'cross-institutional dissonance', defined as 'the disharmony between dissimilar institutions'.

Second, DeltaUK had prior negative experience of doing business with India - another country where environment and practices significantly differed from the UK. As a result, DeltaUK felt they needed the help of a Chinese National to enter the Chinese market:

> 'The reason for that is that, particularly in China and India, actually, the culture is so totally different; I think that if you sent over a European person, they would still have to *have a local the next layer down.'* [DeltaUK MD]

Finally, Delta's challenging experience in India had also taught DeltaUK that Delta's future representative must have familiarity with Delta's British culture and organisational practices. The firm accordingly restricted the search to Chinese Nationals that were future UK MBA graduates in order to ensure familiarity with the British environment. The Chinese candidate's dual familiarity with the UK and Chinese environments was conceptualised as

'institutional hybridity', defined as 'cross-institutional identity from adaptation to multiple institutional contexts'. Individuals whose attributes include institutional hybridity are labelled 'Institutional Hybrids'.

Experience 2: T*he reasons for Delta's institutional bridge reinforcement process*

DeltaUK had to consider the risk of opportunistic behaviour by any future China representative. The SME was extremely vulnerable as it neither had understanding of the Chinese environment nor knowledge of the local language. When asked about DeltaUK's knowledge of Chinese accounting systems, DeltaUK Finance Director (from here on DeltaUK FD) replied:

> ''Not a lot. The very first time I went over there, I asked to see a bank statement and I was given a piece of paper without a single figure on it, entirely filled with Chinese characters. I had no idea what I was looking at.'

As a result, formal monitoring of the future DeltaChina was going to be a challenge. DeltaUK MD did not believe either that the company could protect itself by relying on a legal contract. DeltaUK's strategy revolved instead around (a) building loyalty between the new recruit and the SME and (b) further socialising DeltaChina GM to UK culture and practices:

> 'Otherwise they would just go native and you're actually not, you know, they're running a company without you in their mind.'

The SME went to remarkable lengths to strategically build loyalty between DeltaChina GM and DeltaUK:

> 'We paid for his mum and dad to come over, we looked after them, again we went up to *[Beauty Spot], took them all around; […] and that sort of thing buys you, crudely, buys you loyalty.'* [DeltaUK MD]
>
> *'They want to let me think* I belong to Delta because at the time, they really spent a lot of effort to do that. [DeltaChina GM]

Another strategy for protecting DeltaUK against the risk of opportunism was the development of a close personal relationship between DeltaUK MD and DeltaChina GM with the involvement of family members within the relationship. Unbeknown to DeltaUK, the data strongly showed that a key factor in the close relationship that developed between DeltaChina GM and DeltaUK MD was the mentoring role played by the latter. Delta's new employee lacked knowledge of Delta's products and industry since he was recruited for his dual familiarity with the UK and Chinese environments rather than his industry experience. What could have been perceived as a disadvantage had the effect of further strengthening DeltaUK MD's bond to DeltaChina GM:

> 'We, Chinese people, all feel that teachers play a very important role in our lives*; […]* So because of that time, that period when he looked after me and trained me, I feel he is a great person. This was a crucial period.'

As a result, Delta was able to reinforce the bridging connection between DeltaUK and DeltaChina.

Experience 3: The r*easons for Delta's institutional bridging maintenance process*

Once DeltaChina GM had moved to China, the perception within Delta was that maintaining the bridging connection relied on the critical - and sensitive – personal relationship between DeltaUK MD and DeltaChina GM. This was acknowledged by multiple respondents:

> 'So I don't want to be annoying DeltaChina GM or asking DeltaChina GM anything I shouldn't be asking him, so, generally, I speak to *DeltaUK MD first.'* [DeltaUK FD, 2014]
>
> *'Sometimes* I also receive bad comments from the Head Office; but when DeltaUK GM told me, I think okay, right, that's fine, I'll change that. If it was someone else, I would feel unhappy: 'get out of my door!' [DeltaChina GM, 2012]

The close relationship was also under threat from continued cross-institutional dissonance between the UK and China, with examples such as 'double-invoicing' and concerns of systemic corruption:

'What is common out there is you buy a piece of equipment and it costs 80,000 and they say: 'call it 100,000 and you pay me 100,000 and I give you 10,000. Now that happens all *the time.'* [DeltaUK MD]

The key reason offered for the relationship remaining close was DeltaChina GM's institutional hybridity, i.e., his ability to act and communicate 'the British way' and reconcile UK and Chinese culture and practices:

'DeltaChina GM stayed in Scotland for a long time, he is quite familiar with the Head *office's management practice*s, so on the whole, management practices involved in our work are more or less the same.' [DeltaChina Purchasing Manager]

*'When I'm across there, he [DeltaC1] is very good with his E*nglish and will often help out *when I'm speaking to DeltaC4.'* [DeltaUK Finance Director]

'T*heir culture's not to say what they think; you've got to try and guess. And with* DeltaChina GM, because he was in [Britain] for a year, we always say that we would do it the British way.' [DeltaUK MD]

DeltaChina GM also mentored DeltaUK GM, improving his knowledge of Chinese culture significantly, hence further reducing the risk for misunderstandings and conflict over time:

'Cultural. And the same with little things about, you know, he will say to me: right, we should go and toast Joe Blogs round. Taking food and put it on somebody else's plate, all these little things. [DeltaUK MD]

Although other factors were highlighted within the analysis of the data, such as DeltaUK MD's tolerant attitude, risk-taking tendency and emphasis on the relational - as opposed to contractual - governance of business relationships in China, it was DeltaChina GM's institutional hybridity and ability to operate across institutional boundaries that enabled the Delta's bridging connection to be maintained and the institutional distance to be bridged effectively. In effect, DeltaChina GM's institutional hybridity promoted 'cross-institutional

consonance', which is defined as 'harmony between dissimilar institutions' and mirrors the concept of 'cross-institutional dissonance'.

The analysis of the experience of the participants unearthed some motivating factors and necessary conditions for Delta's institutional bridging process. In addition, it highlighted multiple steps in the process which were organised around three critical events: Institutional bridge creation (E1), institutional bridge reinforcement (E2) and institutional bridge maintenance (E3).

Events: Delta's institutional bridging process for internationalisation to China

Event 1: Institutional bridge creation

Delta was close to bankruptcy, back in early 2006, when the decision to start manufacturing in China was instigated at the demand of the company's largest customer. The firm's desperate situation and the promise from the large customer of a guaranteed supply agreement finally led Delta to make what had felt like a daunting move: 'we had indecision rather than there was somebody saying we should not go to China. It was just an enormous *thought'*. [DeltaUK MD]

The task of setting-up manufacturing to China fell on Delta's Managing Director, DeltaUK MD, a key shareholder of Delta. In January 2006, DeltaUK MD went on a fact-finding mission and his first encounter with China, opened his eyes to the challenges ahead:

> *'We saw six different cities, very hard, were told different wage rates and it was very hard actually for us to form our own opinion on what we had been told'*.

On his return to China, DeltaUK approached a British government organisation specialised in the recruitment of UK-based international students, with DeltaChina GM selected for his superior familiarity with the British language and culture over a competing candidate:

> 'The most significant difference was that DeltaChina GM came over and was single, and was in a flat in [British city] and he was exposed to [British] culture. [DeltaUK MD]

In the Autumn of 2006, DeltaChina GM was offered a 6-month China evaluation project placement based at Delta UK's Head Office, as confirmed later by a UK-China local government trade expert with close knowledge of DeltaUK.

Event 2: Institutional bridge reinforcement

At the end of the evaluation project, in April 2007, DeltaChina GM was formally offered the role of General Manager of the future manufacturing subsidiary. For the next 12 months, as the Chinese subsidiary was being set-up, DeltaChina GM spent his time travelling between the UK and China, with full responsibility for the set-up of DeltaChina. In order to get support in China, DeltaChina GM approached a former University classmate and trusted colleague to be his future DeltaChina Deputy General Manager (from here on DeltaChina DGM):

> *'We knew each other before as classmate*s and then [DeltaChina GM] told me DeltaUK would like to set-up a factory in China and he invited me to come and do this together with him*.'* [DeltaChina DGM]

During that period, while receiving training at DeltaUK's Head Office and being mentored by DeltaUK MD, DeltaChina GM was also able to build connections with multiple DeltaUK colleagues including DeltaUK's Chairman, Finance Director and Purchasing Manager. These connections helped further reinforce the institutional bridging connection.

In May 2007, DeltaChina was registered in municipality Z, within an industrial park zone and manufacturing equipment was shipped to China, alongside two DeltaUK technicians, to help with equipment commissioning. At the request of DeltaChina GM, one of the technicians, DeltaChina Technical Director (from here on DeltaChina TD), was offered a full time position in China to oversee production:

> 'But after six or seven months, DeltaChina GM decided that he wanted to keep me here; so he offered me a contract. [DeltaChina TD]

By early 2008, DeltaUK's institutional bridging connection to China had been reinforced and had led to the establishment of a Chinese manufacturing facility and the recruitment of 17 new China-based staff.

Event 3: Institutional bridge maintenance

In the Spring of 2008, with the new Chinese factory ready to start production, DeltaChina GM moved to China full time. Although he now only visited the UK once a year, he continued working closely with DeltaUK MD, who communicated with him on a daily basis and made frequent visits to China. DeltaUK MD was the main link to DeltaChina GM, himself the critical connection to the Chinese market. With DeltaUK MD's support, DeltaChina GM's key role was to develop relationships with external stakeholders such as Chinese customers and, more importantly, suppliers. DeltaChina DGM, who spoke limited English, was responsible for overseeing the running of DeltaChina and did not have much interaction with DeltaUK.

In 2009, DeltaChina was able to sign an exclusive agreement with a Chinese supplier of a critical raw material. This was confirmed by the British China trade expert working for Delta UK's local government who helped with the negotiation of the agreement. This exclusive agreement allowed Delta to take control of the European market for a related product. Delta's supply chain was subsequently reorganised to integrate DeltaUK and DeltaChina around the critical bridging connection between DeltaUK MD and DeltaChina GM. By 2012, Delta's exports had increased by 200%, with 50% of the company's profits derived from the Chinese subsidiary. DeltaUK had become a remarkable success story in its local area as evidenced by multiple press releases over that period. In late 2013, DeltaChina received approval from the Chinese local government to lease additional land within the industrial park and expand manufacturing facilities. By 2014, DeltaChina staff reached 130 and the subsidiary directly oversaw the Japanese market. The SME was able to maintain its critical institutional bridging connection over time and Delta had become a remarkably successful international firm. What

key mechanisms had enabled Delta's institutional bridging process? On the basis of the motivating factors, necessary conditions and events that explain Delta's institutional bridging process, three causal mechanisms are identified and discussed next.

Causal Mechanisms to explain Delta's Institutional Bridging Process

Causal Mechanism 1: Cross-institutional Dissonance Mitigation

What had led DeltaUK to create an institutional bridge (E1) and recruit DeltaChina GM with its particular attributes? First, the fact that Delta must internationalise to China was a motivating factor for the creation of the institutional bridge. Without this motivation, DeltaUK could have simply decided to forget about China and internationalise somewhere else instead. DeltaUK's institutional bridging process also pre-supposed the existence of a necessary conditions that had shaped the behaviour of DeltaUK when the firm had taken the decision to internationalise to China. These necessary conditions included DeltaUK's prior experience of high institutional distance (India) and experience of cross-institutional dissonance (China), compounded by the firm's lack of China knowledge and network. The interaction between DeltaUK's motivation to internationalise to China and the conditions at the time of Delta's institutional bridge creation led to Delta's recruitment of an Institutional Hybrid through a causal mechanism (CM1) labelled 'Cross-institutional Dissonance Mitigation'. Without prior (negative) experience of internationalisation across high institutional distance (India), DeltaUK may not have insisted on the future Chinese GM having familiarity with UK institutions as well as Chinese ones. Without the experience of the cross-institutional dissonance in China, DeltaUK MD may not have selected a Chinese National as future GM, choosing instead an existing member of DeltaUK staff with experience of Delta's organisational culture and products. The fact DeltaUK did not choose any of the above alternatives can be best explained by a mechanism of Cross-institutional Dissonance Mitigation (CM1) realised through a process of institutional bridging creation that entailed the recruitment of an Institutional Hybrid.

Following the creation of an institutional bridge to China (E1), a second mechanism is identified to explain Delta's institutional bridging process to China.

Causal Mechanism 2: Multi-level Strategic Embedding

The motivation to protect DeltaUK against the risk of opportunistic - and more generally inappropriate - behaviour by their future Chinese GM can partly explain the next event in Delta's institutional bridging process for internationalisation to China. Necessary conditions present at the time further explain how and why Delta had taken steps to reinforce their bridging connection. Those conditions were identified by reflecting on alternative steps the SME could have taken. For instance, why had DeltaUK not relied on formal and legal means - such as employment contracts or monitoring systems as per UK practices - to protect the firm against unwanted behaviour in China? Why had they not appointed a British expatriate to represent the firm in China? Giving full responsibility for the set-up of Delta China to the future Chinese GM, while exhibiting concerns around risks of opportunistic or inappropriate behaviour, presupposed an institutional bridging process constrained by certain necessary conditions.

The necessary conditions for DeltaUK's institutional bridging reinforcement process included cross-institutional dissonance and network and resource constraints. The cross-institutional dissonance was the result of the challenge of legal contract enforcement in China (as was confirmed by expert interviewees) and the enduring lack of China knowledge and language within DeltaUK. In addition, resource-limitations did not allow DeltaUK to build an expensive network of experienced multi-lingual China staff and consultants to mitigate knowledge limitations (as may be the case for larger multinationals). Incurring extra cost was a recurring concern of DeltaUK when it came to the process of institutional bridging to China. The only option available to DeltaUK to protect itself against inappropriate behaviour was to strategically embed DeltaChina GM at three interacting levels: relational (personal bonding with DeltaUK MD), organisational (socialisation to organisational culture and development of

network connections with Delta UK colleagues) and institutional (through socialisation to British culture and practices). The mechanism that enabled institutional bridging reinforcement is conceptualised as 'Multi-level Strategic Embedding'. The combination of this second mechanism (CM2) with the first mechanism (CM1) had powerful effects: DeltaChina GM became highly effective across both the UK and Chinese institutional and organisational frameworks. As a result, DeltaUK felt confident enough about their Chinese GM's loyalty and ability to operate between the UK and China to trust him with the full responsibility for the set-up and running of DeltaChina. Hence 'Multi-level Strategic Embedding'/CM2 caused the reinforcement of the institutional bridge (E2) (Figure 2). This in turn led DeltaChina GM to move to China full time to run the newly established subsidiary, DeltaChina. For internationalisation to China to continue however, DeltaUK's institutional bridge had to be maintained over time. This final key event (E3) is discussed next.

Causal Mechanism 3: Cross-institutional Consonance Retuning

For Delta's internationalisation to China to endure over time, the institutional bridge between DeltaUK and DeltaChina had to be maintained. This was motivated by Delta's reliance on DeltaChina GM due to the continued lack of knowledge of Chinese institutions and language as a necessary condition of the institutional bridging process. This condition constrained DeltaUK's ability to operate independently. Theory also highlights that bridging connections are difficult to maintain with most bridging links decaying within a year (Burt, 1995). DeltaUK's institutional bridging connection was remarkably enduring more than 8 years after it was created in 2006. The question of what caused Delta's institutional bridging connection to be maintained over time presupposed another necessary conditions that prevented the bridging connection from decaying or collapsing. This second condition was highlighted as DeltaChina GM's institutional hybridity. DeltaChina GM's hybridity meant that he was able to (a) resolve any tension that resulted from the institutional distance between the UK and China and (b) help DeltaUK make sense of the Chinese environment. To draw

from a musical analogy, DeltaChina GM was able to 'retune' cross-institutional dissonance into cross-institutional consonance. Examples of DeltaChina GM's 'retuning' actions included (a) effectively teaching DeltaUK actors about Chinese norms and values, (b) adequately translating institutional practices between the UK and China and (c) expertly communicating across the cultural-cognitive distance. This behaviour is conceptualised as a third mechanism of 'Cross-institutional Dissonance Retuning' (CM3) which caused the institutional bridging connection to be maintained over time.

Importantly, only when considered in combination can the three mechanisms CM1, CM2 and CM3 - Cross-Institutional Dissonance Mitigation, Multi-level Strategic Embedding, and Cross-Institutional Consonance Retuning - explain the process of institutional bridging in the context of SME internationalisation across high institutional distance, with the relationships between motivating factors, necessary conditions, events and mechanisms linking the empirical, actual and real strata. To illustrate that last point, a contextualised explanation (Welch et al., 2011) of the process of institutional bridging in the context of SME internationalisation across high institutional distance is presented as Figure 2.

Please insert Figure 2 around here

DISCUSSION

Delta's successful institutional bridging to China did not match expectations set by the SME internationalisation literature, highlighting a puzzling gap: what had caused an SME with resource and network constraints to bridge the high institutional distance and internationalise so successfully? Karra et al. (2008) had conceptualised 'institutional bridging' as an entrepreneurial capability for entrepreneurial internationalisation: this paper builds on their conceptualisation by offering a contextualised explanation (Welch et al., 2011) of the process of institutional bridging in the context of SME internationalisation across high

institutional distance, thereby answering calls for studies that investigate the way institutional distance can be managed through theoretical explanations that are sensitive to context (Child & Marinova, 2014). This explanation further answer calls to explore the mechanisms by which internationalisation through networking across institutional contexts can occur (Kiss & Danis, 2008). More broadly, the paper extends theory on the impact of high institutional distance on SME internationalisation across institutional distance (Coeurderoy & Murray, 2008; Ellis, 2011; Kiss & Danis, 2008; Ojala, 2009) by explaining why SMEs that are more sensitive to challenges arising from the institutional context (Schwens et al., 2011) may nonetheless bridge the institutional distance and internationalise.

As part of the contextualised explanation of SME internationalisation through institutional bridging, the paper develops the concept of 'institutional hybridity' which draws from the literature on 'cultural hybridity' (Shimoni & Bergmann, 2006) and the notion of hybrid cultures (Jia, Rutherford & Lamming, 2015). In line with cultural hybridity, institutional hybridity emphasizes integration of multiple influences and creation of 'new spaces' (Shimoni & Bergmann, 2006) of institutional influence. Unlike cultural hybridity however, institutional hybridity is concerned with all three institutional dimensions, not just culture-related factors. In the context of SME internationalisation, solely focusing on cultural factors to the detriment of cognitive or more formal regulative aspects, may remove some keys pieces of the puzzle. As the paper explains, for the three key mechanisms to operate effectively and support SME internationalisation across high institutional distance, hybridity must operate across cultural-cognitive, normative and regulative institutional dimensions. Future research could explore 'institutional hybridity' further to improve understanding of its nature and of the role 'institutional hybrids' may play in supporting SME internationalisation.

The two mechanisms of 'Cross-institutional Dissonance Mitigation' and 'Cross-institutional Consonance Retuning' build on studies of 'cognitive' (Rodrigues & Child, 2008) and 'acculturative' (Lillevik, 2015) dissonance (Brunning et al., 2012). Component parts of

the mechanisms extend the concept of 'dissonance' to regulative, normative and cultural-cognitive dimensions'. Although DeltaUK MD was given information about the Chinese institutional environment in English, he still could not make sense of it due to a lack of understanding of the normative and regulative institutional context. Cross-institutional dissonance was the result of the significant dissimilarity between the Chinese and British institutional frameworks across cultural-cognitive, normative and regulative dimensions (Scott, 2008). These mechanisms further extend the literature on 'dissonance' in an internationalisation context. In a multinational expatriate environment, Brunning et al. (2012) had identified the formation of friendships with colleagues as remedies for 'dissonance'. If dissonance is of a cross-institutional nature, it implies that remedies for dissonance must operate across cultural-cognitive, normative and regulative institutional dimensions: the formation of 'friendships' may reduce the effect of 'dissonance', but is unlikely to be fully effective. Instead, as explained in the study, a mechanism of 'cross-institutional consonance retuning' that operates across all institutional dimensions may be necessary to mitigate dissonance. Besides, SME internationalisation across institutional distance requires alternative explanations to those offered for larger multinationals: with SME boundary-spanners likely to be positioned across distant institutional environments, close relationships that require frequent and long term interactions are more difficult to establish than in an expatriate environment. Furthermore, SME decision-makers cannot await the eventual formation of friendships with potential partners in order to internationalise, nor may it be wise to do so. Mechanisms such as presented in this paper offer a more suitable explanation for managing high institutional distance in the context of SME internationalisation.

The study's methodological contributions answer calls for greater contextualisation of theorizing and demonstrates the benefits of applying qualitative research methods on the basis of critical realist assumptions. Although the contextualised explanation approach (Welch et al., 2011) offers an open-system, multi-level approach for theorising about complex

phenomena (e.g., Matthyssens et al., 2013), it is by no means straightforward to apply empirically (Ryan, Tähtinen, Vanharanta & Mainela, 2012) and is still rarely used in internationalisation studies (Geary & Aguzzoli, 2016; Welch et al., 2011). By contributing through a rare empirical application of the 'contextualised explanation' (Welch et al., 2011) in the area of International Business, the paper demonstrates the benefits of contextualised explanations when theorizing in a China- and internationalisation-related context (Child, 2009).

Separately, the researcher endeavoured to collect and analyse bilingual Chinese-English data to retain congruence with the phenomenon under study and highlighted some of the dangers of attempting sense making from translated qualitative data, such as loss of nuances. Bilingual data analysis however requires skilled researchers that are competent across institutional boundaries. Discourse is embedded within institutional frameworks and interpretation requires deep understanding of the context of relevance. This methodological issue is rarely discussed in the internationalisation literature and represents an important area of future debate and development.

Limitations and boundary conditions

The author endeavoured to develop the best contextualised explanation of Delta's institutional bridging process to China by offering a detailed and transparent discussion of the research process (Welch et al., 2011). The proposed mechanisms (CM1, CM2 & CM3) should also be evaluated in terms of their 'practical adequacy', i.e., its ability to 'generate expectations about the world and about the results of our actions which are actually realized' (Sayer, 1992: 69). The aim is to explain the process of institutional bridging to a particular context by unearthing deep generative mechanisms: future studies could evaluate the applicability of the proposed mechanisms to more or less similar settings.

The choice of the UK to China internationalisation context to explain institutional bridging across high institutional distance for instance may be subject to idiosyncrasies related to UK

and China-specific institutions, as well as to their particular interactions. China has unique normative and cultural-cognitive institutions such as the importance of 'teachers' as discussed in the paper, in addition to strongly-binding norms of reciprocity. Reversing the direction of internationalisation, from China to the UK, again, may impact the applicability of the mechanisms. Replicating this explanation and evaluating the three mechanisms in different high distance contexts may clarify whether China or UK-specific contextual factors played a part in this explanation. The entry mode chosen by DeltaUK (manufacturing) may also have had implications in relation to the level of vulnerability of the firm in China due to higher investment and risk: it would be interesting to evaluate the explanation in SME internationalisation contexts where lower investment foreign entry modes were selected.

CONCLUSION

This paper aims to contribute to the literature on SME internationalisation across high institutional distance by explaining how and why Delta, a British SME was able to internationalise to China. Three novel mechanisms of 'Cross-institutional Dissonance Mitigation', 'Multi-level Strategic Embedding' and 'Cross-institutional Consonance Retuning' are proposed to explain Delta's internationalisation to China across high institutional distance and through institutional bridging.

By opening the 'black box' of SME internationalisation across high institutional distance, this explanation shows the benefits of pursuing the deeper contextualisation of research into phenomena that span multiple institutional boundaries. The author hopes that this paper will encourage a greater number of researchers to adopt 'contextualised explanations' as a methodology in future internationalisation research and concurs with Welch et al. (2011: 755) that the 'contextualised explanation' approach 'holds promise in that it offers a high degree of contextualisation without sacrificing the goal of causal *explanation'*.

In addition, the research process resulted in a number of insights with regard to conducting qualitative research in an emerging market such as China. A general observation

is that interviews conducted in China followed a different pattern to those conducted in the UK. In China for instance, formal interviews were often followed by more informal interactions that involved the sharing of food. In that more informal context, Chinese participants became more relaxed and often offered deeper insights into aspects discussed during the more formal interviews.

The collection of qualitative data in China as a Mandarin-speaking Caucasian also meant deciding which language to select when interviewing Chinese participants with fluency in English. Initially, the researcher felt uncomfortable imposing a particular language to participants and, as DeltaChina GM had good fluency in English, he chose to use English in his first interview. Early transcription and analysis of the interview data raised issues around the accuracy of language, and the interpretation of nuances. This was particularly critical due to the interest in normative and cultural-cognitive institutions. As a result, the researcher insisted Mandarin Chinese was used during the follow-up interview: through contrasting DeltaChina GM's choice of equivalent English and Chinese terms across both interviews, she was able to notice improved depth and richness of language, as well as inaccurate use of language in the earlier interview conducted in English. For instance, although DeltaChina GM talked about 'loyalty' in his English interview, he later used the term '归属感 (guishugan) in his Chinese interview, which has the different connotation of 'sense of belonging' in English. Loss of nuances matters deeply in qualitative research, especially when conducted across institutional and linguistic boundaries (Holden & Michailova, 2014): researchers should be wary of interviewing non-English native participants solely in English, even if their fluency in that language is high. A final insight surrounds the advantage of being a Mandarin-speaking Caucasian researcher exploring cultural-cognitive and normative institutions in China. Most Chinese informants assume that Caucasians have little knowledge of Chinese culture. As a result of the researcher's categorisation as a Westerner or 'laowai', Chinese respondents

entered into very elaborate explanations of their values, expectations and beliefs for her benefit, generating valuable depth in the explanation of the rationale behind their actions. Being perceived as a 'naive' Caucasian researcher (Stening & Zhang, 2007) can have its advantages, as long as the researcher still has sufficient knowledge of the native language and research context.

This study also has important implications for policy and practice if EU SMEs are going to 'seize opportunities' in high distance markets. From a policy perspective, we must acknowledge the important role of organisations such as the one depicted in the research case that act as intermediaries between international (especially MBA) students and internationalising organisations within the home market. Highly competent international MBA students offer an invaluable opportunity to bridge EU markets with the students' home nation, especially in cases where internationalisation spanning high distance is concerned. Support from home-based trade organisations is often focused on the development of networks with individuals and organisations located in the host market. Whilst this is undoubtedly helpful in some respects, when it comes to early stages SME internationalisation, home-based international students may represent a more appropriate solution.

From a practice perspective, SMEs should be aware of the strategic importance of building links with local Universities in their area in order to identify potential recruits or partners with connections to, and knowledge of, international markets. In addition, SME practitioners should be aware of the importance of embedding future partners and employees at individual, organisational and institutional levels through socialisation within the home organisation. In contexts where legal enforcement is a challenge, extensive and repeated interaction between host-based representatives or employees and their home-based colleagues, culture and organisational practices is likely to be the most effective approach to mitigate risks of opportunistic or inappropriate behaviour. Besides, in contexts where cross-border activities are conducted through a single critical bridge to the distant host market, the embedding of

foreign representatives across home and host markets appears to be an attractive strategy to ensure long lasting internationalisation.

REFERENCES

Abdi, M. & Aulakh, P.S. 2012. Do country-level institutional frameworks and interfirm governance arrangements substitute or complement in international business relationships? **Journal of International Business Studies**, 43(5): 477-97.

Baum, M., Schwens, C., & Kabst, R. 2015. A latent class analysis of small firms' internationalization patterns. **Journal of World Business**, 50(4), pp.754–768.

Bhaskar, R. 2014. **The Possibility of Naturalism: A Philosophical Critique of the Contemporary Human Sciences.** London: Routledge, 4th edition.

Brunning, N.S., Sonpar, K., & Wang, X. 2012. Host-country national networks and expatriate effectiveness: A mixed-method study. **Journal of International Business Studies**, 43(4): 444-50.

Burt, R. S. 1995. **Structural Holes: The Social Structure of Competition**. Cambridge: First Harvard University Press paperback edition.

Burt, R. S. 2011. **Brokerage and Closure: An Introduction to Social Capital**. Oxford: Oxford University Press.

Cabrol, M., Favre-Bronte, V., & Fayolle, A. 2009. The influence of the entrepreneur's network on the internationalisation of young French firms. **Entrepreneurship and Innovation**, 10(3): 213-21.

Carney, M., Dieleman, M. & Taussig, M. 2015. How are institutional capabilities transferred across borders? **International Business Review**, 51(6): 882-894.

Chidlow, A., Plakoyiannaki, E., & Welch, C. 2014. Translation in cross-language international business research: Beyond equivalence**. Journal of International Business Studies, 45(5): 562-582.**

Child, J. 2009. Context, Comparison, and Methodology in Chinese Management Research. **Management and Organization Review**, 5(1): 57–73.

Child, J., & Marinova, S. 2014. The Role of Contextual Combinations in the Globalization of Chinese Firms. **Management and Organization Review**, 10(3): 347-371.

Child, J., Rodrigues, S. B., & Frynas, G. J. 2009. Psychic distance, its impact and coping modes: Interpretation of SME decision makers. **Management International Review**, 49(2): 199-224.

Coeurderoy, R., & Murray, G. 2008. Regulatory environment and the location decision: Evidence from the early foreign market entries of new-technology-based firms. **Journal of International Business Studies**, 39(4): 670-87.

Corbin, J., & Strauss, A. 2008. **Basics of qualitative research: techniques and procedures for developing grounded theory.** Thousand Oaks, CA: Sage Publications, Inc.

Coviello, N. E. 2006. The network dynamics of international new ventures, **Journal of International Business Studies**, 37: 713-31.

Coviello, N., & Munro, H. 1997. Network Relationships and the Internationalisation Process of the Small Software Firms. **International Business Review**, 6(4): 361-86.

Easton, G. 2010. Critical realism in case study research. **Industrial Marketing Management**, 39: 118-128.

Ellis, P. D. 2000. Social Ties and Foreign Market Entry. **Journal of International Business Studies**, 31(3): 443-69.

Ellis, P. D. 2011. Social ties and international entrepreneurship: Opportunities and constraints affecting firm internationalisation. **Journal of International Business Studies**, 42(1): 99-127.

Estrin, S., Baghdasaryan, D., & Meyer, K. E. 2009. The impact of institutional and human resource distance on international entry strategies. **Journal of Management Studies**, 46(7): 1171 – 1196.

Evers, N., & O'Gorman, C. 2011. Improvised internationalization in new ventures: The role of prior knowledge and networks. **Entrepreneurship and Regional Development: An International Journal**, 23(7-8): 549-74.

Fletcher, M., & Harris, S. 2012. Knowledge acquisition for the internationalization of the smaller firm: Contents and sources. **International Business Review**, 21(4): 631-647.

Geary, J., & Aguzzoli, R. 2016. Miners, politics and institutional caryatids: Accounting for the transfer of HRM practices in the Brazilian multinational enterprise**. Journal of International Business Studies**, 47(8): 968–996.

George, A.L., & Bennett, A. 2005. **Case Studies and Theory Development in the Social Sciences**. Cambridge: MIT Press.

Hara, G. & Kanai, T. 1994. Entrepreneurial Networks Across Oceans To promote International Strategic Alliances for Small Businesses. **Journal of Business Venturing**, 9(6): 489-507.

Holden, N. J.,& Michailova, S. 2014. A more expansive perspective on translation in IB research: Insights from the Russian Handbook of Knowledge Management. **Journal of International Business Studies,** 45(5): 906-918.

Jennings, P.D., Greenwood, R., Lounsbury, M.D., & Sudaby, R. 2013. Institutions, entrepreneurs, and communities: A special issue on entrepreneurship**. Journal of Business Venturing**, 28(1): 1-9.

Jia, F., Rutherford, C., & Lamming, R. 2016. Cultural adaptation and socialisation between Western buyers and Chinese suppliers: The formation of an hybrid culture. **International Business Review**, 25(6): 1246-1261.

Karra, N., Phillips, N., & Tracey, P. 2008. Building the Born Global Firm: Developing Entrepreneurial Capabilities for International New Venture Success**. Long Range Planning**, 41(4): 440-458.

Kiss, A. N., & Danis, W. M. 2008. Country institutional context, social networks, and new venture internationalisation speed. **European Journal of Management**, 26 (6): 388-399.

Kostova, T. 1999. Transnational transfer of strategic organizational practices: A contextual perspective. **Academy of Management Review**, 24(2): 308-324.

Langley, A., Smallman, C., Tsoukas, H., & Van de Ven, A.H. 2013. Process studies of change in organization and management: Unveiling temporality, activity, and flow. **Academy of Management Journal**, 56(1): 1-13.

Li, X., & Ma, L. 2015. Business Management Practices: Converging in Some Aspects but Diverging in Others. **Management and Organization Review**, 11(4): 795-805.

Lillevik W. 2015. **Defining Acculturative Dissonance and Developing a Model of Expatriate Acculturative Stress** in Global Enterprise Management, Volume II, pp.191–206. [Cited 7 September 2015] Available from URL: http://www.palgraveconnect.com.ezproxy.lib.gla.ac.uk/pc/doifinder/10.1057/9781137510709.0014.

Lin, D., Lu, J., Li, P. P., & Liu, X. 2015. Balancing Formality and Informality in Business Exchanges as a Duality: A Comparative Case Study of Returnee and Local Entrepreneurs in China. **Management and Organization Review**, 11(2): 315-342.

Loane, S.& Bell, J.D. 2006. Rapid internationalisation among entrepreneurial firms in Australia, Canada, Ireland and New Zealand: An extension to the network approach. **International Marketing Review**, 23(5), 467-85.

Mason, K., Easton, G., & Lenney, P. 2013. Causal Social Mechanisms; from the what to the why. **Industrial Marketing Management,** 42(3): 347–355.

Matthyssens, P., Vandenbempt, K., & Bockhaven, W. 2013. Structural antecedents of institutional entrepreneurship in industrial networks: A critical realist explanation. **Industrial Marketing Management,** 42(3):.405–420.

Meyer, K. 2015. Context in Management Research in Emerging Economies. **Management and Organization Review**, 11(3): 369-377.

Meyer, K.E., Estrin, S., Bhaumik, K.S., & Peng, M.W. 2009 Institutions, Resources and Entry Strategies in Emerging Economies. **Strategic Management Journal**, 30: 61-80.

Miles, M.B., & Huberman, A.M. 1994. **Qualitative Data Analysis**. London: Sage.

OECD. 2017. Enhancing the contributions of SMEs in a global and digitised economy. Organisation for Economic Co-operation and Development, Paris. Accessed on January 28, 2018: https://www.oecd.org/mcm/documents/C-MIN-2017-8-EN.pdf

Ojala, A. 2009. Internationalization of knowledge-intensive SMEs: The role of network relationships in the entry to a psychically-distant market. **International Business Review**, 18(1): 50-59.

Orr, R.J., & Scott, R.W. 2008. Institutional Exceptions on Global Projects: A Process Model. **Journal of International Business Studies**, 39(4), 562-88

Pajunen, K. 2008. The Nature of Organizational Mechanisms. **Organization Science**, 29(11): 1449-1468.

Peters, L. D., Pressey, A. D., Vanharanta, M., & Johnston, W. J. 2013. Constructivism and critical realism as alternative approaches to the study of business networks: Convergences and divergences in theory and in research practice. **Industrial Marketing Management**, 42(3): 336–346.

Piekkari, R., Plakoyiannaki, E., & Welch, C. 2010. 'Good' case research in industrial marketing: Insights from research practice. **Industrial Marketing Management**, 39(1):109–117.

Prashantham, S., & Dhanaraj, C. 2010. The Dynamic Influence of Social Capital on the International Growth of New Ventures. **Journal of Management Studies**, 47(6): 967-994.

Ryan, A., Tähtinen, J., Vanharanta, M., & Mainela, T. 2012. Putting critical realism to work in the study of business relationship processes. **Industrial Marketing Management,** 41(2): 300–311

Rodrigues, S., & Child, J. 2008. The Development of Corporate Identity: A Political Perspective. **Journal of Management Studies**, 45(5): 885-911.

Sayer, A. 1992. **Method in Social Science: A Realist Approach.** London: Routledge, 2nd edition.

Schwens, C., Eiche, J., & Kabst, R. 2011. The Moderating Impact of Informal Institutional Distance and Formal Institutional Risk on SME Entry Mode Choice. **Journal of Management Studies,** 48(2): 330-351.

Scott, R. S. 2008. **Institutions and Organizations**. London: Thousand Oaks, Sage Publications.

Shimoni, B., & Bergmann, H. 2006. Managing in a Changing World: From Multiculturalism to Hybridization–The Production of Hybrid Management Cultures in Israel, Thailand, and Mexico. **Academy of Management Perspectives**, 20(3): 76-89.

Stening, B. W., & Zhang, M. Y. 2007. Methodological Challenges Confronted when Conducting Management Research in China. **International Journal of Cross Cultural Management**, 7(1): 121-142.

Tang, Y.K. 2011. The Influence of networking on the internationalisation of SMEs: Evidence from internationalized Chinese firms. **International Small Business Journal**, 29(4): 374-98.

Tracey, P., & Phillips, N. 2016. Managing the consequences of organizational stigmatization: Identity work in a social enterprise. **Academy of Management Journal**, 59(3): 740-765.

Welch, C., Piekkari, R., Plakoyiannaki, E., & Paavilainen-Mäntymäki, E. 2011. Theorising from case studies: Towards a pluralist future for international business research. **Journal of International Business Studies,** 42: 740-762.

Yu, J. F., Brett, A. G., & Oviatt, B. M. 2011. Effects of Alliances, Time, And Network Cohesion on the Initiation of Foreign Sales by New Ventures. **Strategic Management Journal**, 32(4): 424-446.

Table 1. Data collection schedule

	Interview participant	Date	Notes
1	DeltaUK MD	May 2012	1st interview, UK Head office, notes
2		August 2012	2nd interview, UK Head Office, digital recording
3		January 2014	3rd interview, UK Head Office, digital recording
3	DeltaUK FD	January 2014	1st interview, UK Head Office, digital recording
4	DeltaChina GM	March 2012	1st interview, visit of Chinese factory, followed by lunch, notes
5		October 2012	2ndt interview, China office/factory, digital recording
6		November 2013	3rd interview, China office/factory, digital recording
7	DeltaChina GM+DGM	June 2013	Informal interview, Scotland, field notes
8	DeltaChina DGM	November 2013	2nd interview, China office/factory, digital recording
9	DeltaChina TD	November 2013	1st interview, China office/factory, digital recording
10	DeltaChina FM	November 2013	1st interview, China office/factory, digital recording
11	DeltaChina SM	November 2013	1st interview, China office/factory, digital recording
12	DeltaChina PM	November 2013	1st interview, China office/factory, digital recording
13	DeltaChina PurchM	November 2013	1st interview, China office/factory, digital recording
14	UK-China trade expert, Chinese	March 2012	1st interview, China office, notes
15	UK-China trade expert, Chinese	October 2012	2nd interview, digital recording
16	UK-China trade expert with knowledge of Delta case, British	August 2011	1st interview, UK office, digital recording
17	UK-China trade expert with knowledge of Delta case, British	March 2013	2nd interview, UK office, notes
18	Chinese government official with knowledge of Delta case, Chinese	October 2012	China government offices, digital recording
19	UK-China legal expert	January 2014	1st interview, phone, notes
20	UK-China legal expert	January 2014	2nd interview, UK office, digital recording
21	UK-China practice expert, British	October 2012	1st interview, China offices, digital recording

DeltaUK MD: Delta UK Managing Director
DeltaUK FD: Delta UK Finance Director
DeltaChina GM: Delta China General Manager
DeltaChina DGM: Delta China Deputy GM
DeltaChina TD: Delta China Technical Director (British)
DeltaChina FM: Delta China Finance Manager
DeltaChina SM: Delta China Sales Manager
DeltaChina PM: Delta China Production Manager
DeltaChina PurchM: Delta China Purchasing Manager

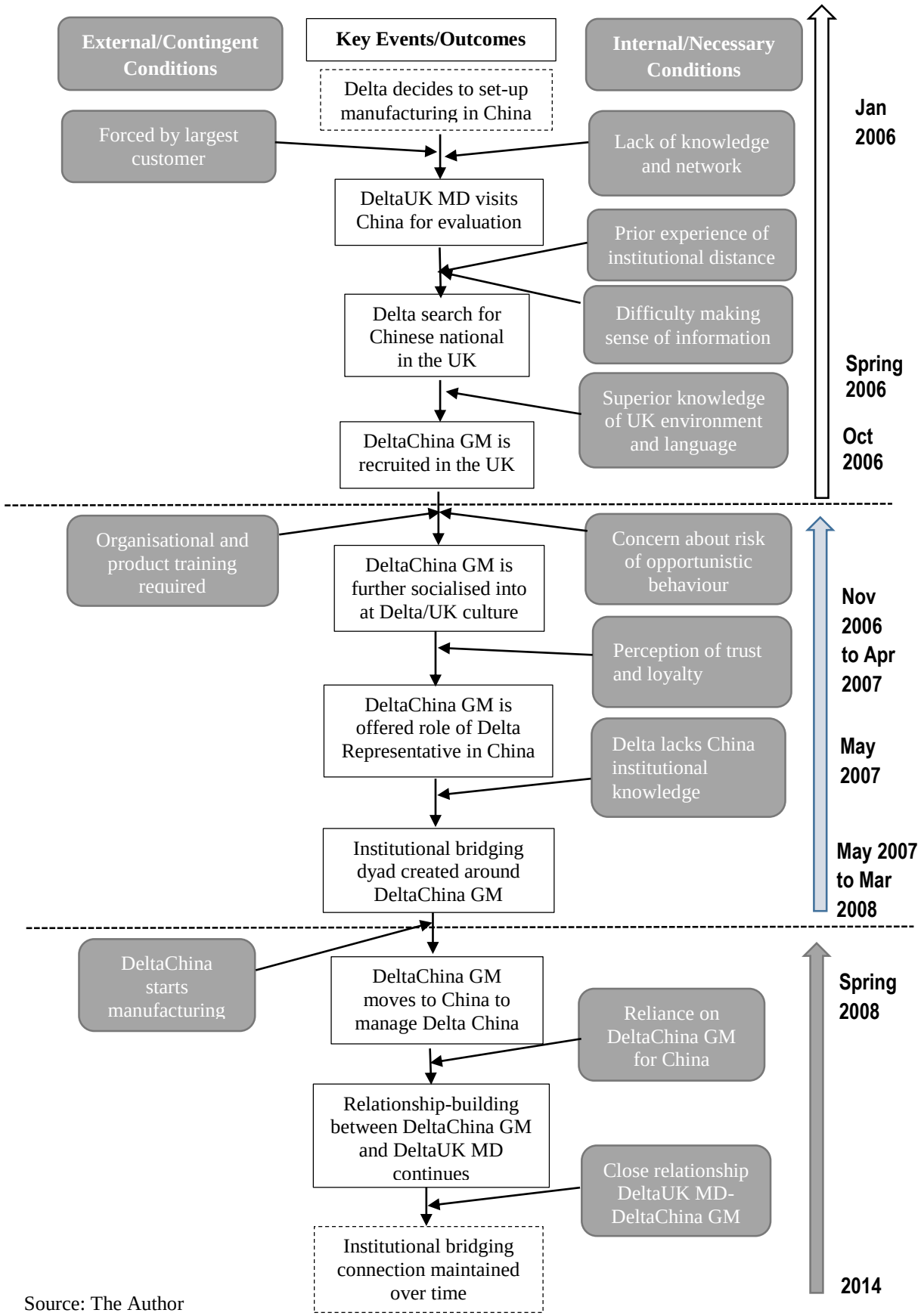
Source: The Author

Table 2. Delta's timeline

KEY EVENTS	TIME	EVENTS
Institutional bridge creation E1	Early 2006	DeltaUK, on the verge of closing, has no choice but to start manufacturing in China and avoid losing their largest customer.
	Jan 2006	DeltaUK MD arranges to visit China on a fact-finding mission, with logistical support from trade organisation on the ground. He cannot make sense of the information he is given and decides to search for a Chinese National in order to carry out a market evaluation and potentially represent DeltaUK in China.
	Mid 2006	After two rounds of candidates are rejected, a candidate, DeltaChina GM, is offered a 6 months Chinese market evaluation project, based out of Scotland's Head Office. The intention is to both test DeltaChina GM and 'socialise' him further to UK culture and Delta organisational practices.
Institutional bridge reinforcement E2	Late 2006	DeltaUK conducts a strategic and proactive loyalty-building exercise on DeltaChina GM while the latter is based at the company's Head Office in the UK.
	Jan-Mar 2007	DeltaChina GM receives training at DeltaUK as he has little knowledge of the company's sector of activity and products. DeltaUK MD acts as his mentor while he is being trained at the Head Office in the UK. DeltaChina GM travels to and from China to conduct the market evaluation. Whilst conducting the market evaluation in China, DeltaChina GM requests the help of a close friend and classmate, DeltaChina DGM. DeltaChina GM and DeltaChina DGM share a long-term, close, trust-based relationship. DeltaChina DGM cannot speak English.
	Apr 2007	DeltaChina GM is formally offered the position of General Manager of Delta China by DeltaUK.
	May 2007	DeltaChina GM formally recruits DeltaChina DGM as No. 2 of the Chinese structure. Delta China is registered in municipality Z., within an Industrial Park Zone.
	Sept 2007	DeltaChina GM is flying back and forth between the UK and China. Manufacturing equipment is shipped to China, alongside two Scottish technicians, one of them DeltaChina TD, to help with equipment commissioning. At the request of Alter, DeltaChina TD eventually remains in China permanently.
	Late 2007-Early 2008	The core administrative team and a small manufacturing team are recruited. Staff numbers quickly go from 3 to 17. Production starts.
Institutional bridge maintenance E3	Spring 2008	DeltaChina GM moves to China full time. From then on, he only visits the UK once a year.
	2009	DeltaUK MD makes frequent visits to China to support DeltaChina GM in building relationships with Chinese raw material suppliers and China-based customers. The signing of an exclusive agreement with a Chinese supplier of a key raw material eventually allows Delta to control the European market for the related product.
	2009-2012	By 2012, China represents 50% of the overall profit of the company and manufacturing in China is perceived as the decision that saved Delta UK. Delta exports increase by 200% over three years.
	2012	Decision is made to expand manufacturing in China and add a second manufacturing plant. A new local Production Manager, DeltaChina PM, who only speaks Chinese, is recruited.
	Late 2013	An agreement for Delta China to lease land and build its own manufacturing facility is reached with municipality Z's local government. DeltaChina GM has lobbied from the start for Delta to build their own plant in China, as opposed to renting a production facility, as was the case until now.
	2014	DeltaChina now directly oversees the Japanese market. The number of staff in China reaches 130.

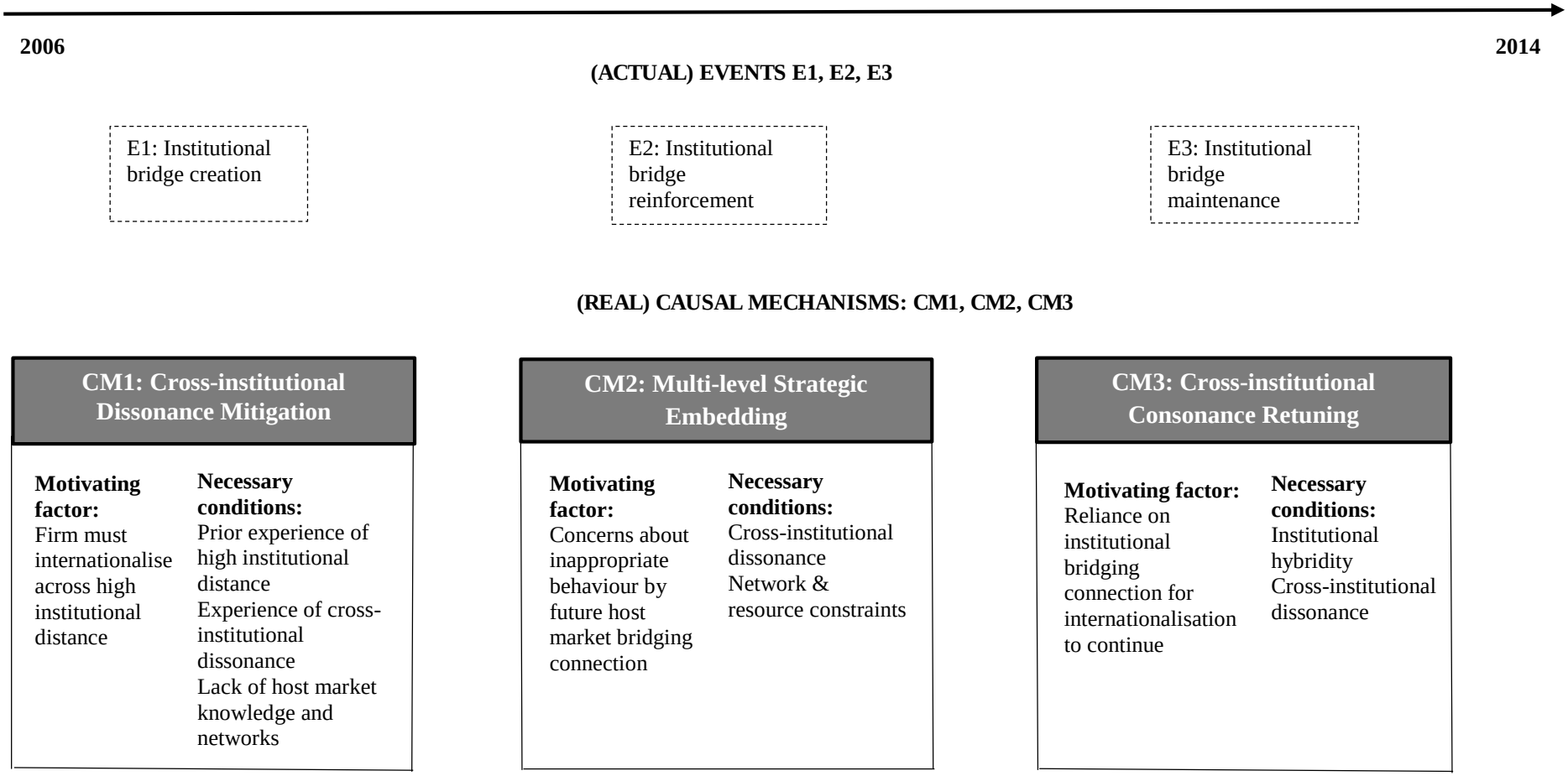
Source: The Author

Figure 1 – Process-tracing diagram of Delta's institutional bridging process for internationalisation to China (drawing from George & Bennett, 2005 & Welch et al., 2011)



Source: The Author

Figure 2 - Contextualised Explanation of 'institutional bridging for SME high-distance internationalisation (drawing from Jacobides, 2005; Pajunen, 2008; Welch et al., 2011)



Source: The Author