

**Research on Evolution Process of EMFs' International Expansion
Strategy**

JI Chengxu

Thesis submitted as partial requirement for the conferral of

Doctor of Management

Supervisor: Álvaro Rosa

Professor Álvaro Rosa, Professor, ISCTE University Institute of Lisbon

Co-supervisor: DU Yifei

Professor DU Yifei, Professor, University of Electronic Science and Technology of China,
School of Management and Economics

March, 2016



Instituto Universitário de Lisboa

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Abstract

Under the background of globalization, international expansion of emerging market firms (EMFs) has become an emerging research front in international business research. Based on the Springboard Theory, LLL model and Uppsala internationalization process model, the thesis describes the bidirectional dependency between EMFs technologies and market resources using methods such as event path analysis, multi-case study and process analysis, and establishes an internationalization behavior framework which is based on the two motivations and the two dependable forces.

The result shows that: (1) EMFs' two kinds of strategic behaviors of assets-seeking and opportunities-seeking continue to evolve with the development of the enterprise. In the first stage, There is no obvious difference. In the second stage, assets-seeking and opportunities-seeking are alternative dominant. In the third stage, opportunities-seeking are dominant. (2) EMFs' assets-seeking strategies are mainly driven by internal forces, and opportunities-seeking strategies are mainly driven by both internal and external forces; (3) EMFs leveraging international assets and opportunities through external linkage, and balancing their assets and opportunities through alternative domination strategic. (4) The internationalization process of EMFs is an enterprise's learning process under repeated linkage and leverage effect.

The main contributions of this paper are: (1) to discuss the evolution rules and action mechanism of the two strategic motivations and dependable forces of EMFs in the internationalization process and help to establish clear external decision-making situation and logic for the internationalization of domestic enterprises; (2) to find out the features of EMFs to establish international chains to acquire the external assets and opportunities, and alternate domination features of the two strategies in the internationalization process, and help to better guide the implementation of internationalization strategies of domestic enterprises; (3) to establish an internationalization process model based on repeated linkage and alternate domination, uncover the nature of EMFs' internationalization process from the point of resource dependence, explain how to achieve the objective of globalization strategy for EMFS represented by China under late-developing disadvantages, expand the current EMFs-related theoretical boundary, and provide more scientific decision basis for "Going Out" of domestic

enterprises.

Key words: EMFs; Internationalization; Motivation; Linkage; Alternative domination

JEL: M1

Resumo

No contexto da globalização, a expansão internacionalizada da empresa do mercado nascente (EMFs) já se tornou uma frente de investigação nascente na área de investigação do comércio internacional. No processo de internacionalização, devido à desvantagem da competição congênita, EMFs não segue totalmente o caminho internacional de empresa multinacional dos países desenvolvidos. Para isto, o Luo e o Tung propôs teoria de trampolim. Eles acham que EMFs obteve ativos-chave das empresas do país desenvolvido através de uma série das expansões internacionalizadas radicais para compensar e superar sua desvantagem retardatária. Sobre a proposição da teoria de trampolim, a deficiência, que o incrementalismo internacionalizado não pode bem explicar os comportamentos internacionalizados de EMFs, foi compensada. No entanto, ainda existe muitos limites na investigação atual e a teoria atual falta das investigações para o mecanismo, regra e característica da evolução estratégica do processo da internacionalização de EMFs. À base da teoria de trampolim, modelo LLL e o incrementalismo internacionalizado Uppsala, este texto usa análise de caminho de evento, estudo de casos múltiplos, análise de processo e outros métodos, caracterizando o cenário de dependência dupla de tecnologia de EMFs e de recurso de mercado, também estabelecendo o quadro de comportamento de internacionalização com base nos dois motivos e duas forças dependentes. O resultado apresenta que: (1) Os dois comportamentos estratégicos de busca de ativos e de busca de oportunidades de EMFs mudam continuamente com o desenvolvimento das fases de empresa. Na primeira fase, não houve diferença distinta; na segunda fase, as duas buscas de ativo e de oportunidade conduzem por sua vez; na terceira fase, tem a busca de oportunidade como o principal; (2) A estratégia de busca de ativos de EMFs é promovida por força inteira da empresa, mas a estratégia de busca de oportunidade é promovida juntamente pelas forças inteira e exterior da empresa; (3) EMFs alavanca ativos e oportunidades internacionalizadas pelo link externo e balança ativos e oportunidades através de alternância de comportamento de liderança; (4) A internacionalização de EMFs é um processo de aprendizagem organizacional sob o elo de link e a liderança alternada. As contribuições principais deste texto são: (1) Descobriu a regra de evolução e o mecanismo de função no processo de internacionalização dos dois motivos estratégicos e a força dependente, ajudando a estabelecer o cenário e a lógica de tomada de decisão externos claros para a

internacionalização das empresas do nosso país; (2) Revelou a característica que a EMFs alavanca ativos e oportunidades externos através de estabelecimento de link de internacionalização e a característica de liderança alterna das duas estratégias, ajudando a lidar melhor a execução da estratégia de internacionalização das empresas do nosso país; (3) Estabeleceu um modelo do processo de internacionalização com base na elo de link e liderança alterna e relevou a natureza do processo de internacionalização de EMFs do ponto de vista da dependência de recursos, explicando como o EMFs caracterizada pela China realizou o objetivo de estratégia de globalização sob a condição de desvantagem retardatário e expandiu os limites teóricos existentes de EMFs, e ofereceu os bases da decisão mais científicas às empresas domésticas para "Vai globalmente".

Palavras-chave: EMFs; Internacionalização; Motivo; Link; Liderança alternada

JEL: M1

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Chapter 1: Introduction

1.1 Background and significance of research

1.1.1 Background of research

Since the 1990s, with the development of computer and communication technologies, the globalization level of international trade, production and finance has been increasingly improved, the economy informatization and regional economic integration have been strengthened constantly, and various international economic organizations have been established. As a consequence, economic globalization has inevitably become the new trend for international economic development. The tide of economic globalization has resulted in the international economic activities being emerged in large numbers. The foreign trade and the outward foreign direct investment are turning into the main route day by day for each country to take a place in the world market and the transnational corporations are becoming the main force causing great impact to the world economic development. As the transnational corporations are rising in the world market, the international operation of enterprises becomes an irresistible trend. Enterprises around the world are speeding up their internationalized process one after another, hoping to base themselves upon the market, allocate resources on a global scale, maximize the enterprise efficiency, and achieve sustainable development of economic benefit. For China, the economic globalization is like a double-edged sword bringing both advantages and disadvantages. On the one hand, it places China in the world market, promoting the transnational flow of production factors, such as capital, labor, and technology, and optimize allocation of resources in the world, so that maximize the benefit with limited resources; on the other hand, it brings China various exogenous shocks. Especially, after entering the world trade organization (WTO), China has opened the retail industry, banking industry, financial industry, insurance, securities industry, automobile industry, etc. to the outside world successively. The foreign capital is entering the domestic market in great force, causing impact on related industries to different extent. Thus the competitiveness and market shares of local enterprises are decreasing year by year. Meanwhile, with the increasing frequency of economic exchange activities between China and the foreign countries, and gradual improvement of foreign trade dependence, the domestic

economic growth has been increasingly affected by the world economy, and the domestic enterprises have been faced with an increasing number of force international competitions. Under the circumstances, if Chinese enterprises intend to break through the wall and strive for living and development spaces in the transnational competition, they have to implement the "Going Out" policy, strengthen the integration and connection with the international market, and improve the comprehensive strength, so as to cultivate their international competitiveness.

In recent years, following the domestic economic development and change in international environment, China has timely changed the open policy of "Bringing In" to the combination of "Bringing In" and "Going Out", encouraging the domestic enterprises to actively develop transnational operations and participate in the international competition; by learning the advanced experience of business internationalization from the developed countries with combination of self-characteristics, select proper targeted markets, production system, financing channels and business pattern, so as to achieve the transnational operation with professionalization, intensification and large scale around the world. After slow development of more than 30 years, the domestic enterprises have achieved some progress. At present, the international mode of domestic enterprises has been developed from general export trade development to outward foreign direct investment. The foreign trade and investment field have been continuously developed, and the number of target countries for trade and investment has been increased day by day. According to the 2012 Statistical Bulletin of China's Outward Foreign Direct Investment, under the background that the foreign direct investment flow in 2012 was decreased by 17% compared to that in 2011, the domestic investment flow in 2012 was increased against trend with satisfactory performance. The outward foreign direct investment (FDI) was \$87.8 billion, creating a new level, and the year-on-year growth was 17.6%. It was the first time for China to become one of the top three foreign investment countries in the world. In 2013, FDI had been continued to rise to \$ 90.17 billion. Meanwhile, the cross-border mergers and acquisitions domestically had been ever active with substantial increase of scale.

In conclusion, along with the sustainable growth of total business volume in international trade and international investment, Chinese enterprises have achieved an apparent increase in internationalized process. Investment in foreign countries by Chinese enterprises and the regional market for other transnational operations have been further extended, basically forming a multiple market pattern of "focusing on Asia, developing Africa, expanding Europe, Latin America and South Pacific". Meanwhile, China has participated in international

competitions with increasing improvement in levels. In the international market, Chinese enterprises are full of enthusiasm about overseas merger and acquisitions, which to a certain extent speed up the process of international operation of Chinese enterprises. In addition, the subject of international operation appears in multi structure day by day. From the point of industrial distribution for domestic investors, there are a growing number of manufacturing investors, who become the leading force in the business internationalization. Manufacturing industry mainly includes clothing, shoes and caps manufacturing, textile industry, computer and other electronic products manufacturing, mechanical instrument manufacturing, biomedical manufacturing, metal and nonmetal manufacturing, etc. As the pioneers in business internationalization, enterprises such as TCL, Haier and Huawei have taken the lead in marching for the international market. And Chinese enterprises have begun to become the center of attention in the international market.

Along with the accelerating process of business internationalization, Chinese enterprises have become a force that cannot be neglected in the international market. However, it cannot be denied that China has experienced the change from planned economic system to market economic system. The socialist market economy system is to be perfected and the international operation level for most of the enterprises is in the initial stage at present with many existing problems.

(I) Micro aspect

(1) Insufficient research & development investment; lack of core technology and international famous brands

In China, most enterprises carrying out international operations depend mainly on the advanced technologies introduced from abroad. They own only a small portion of intellectual properties and core technologies, lacking international brands which make them able to compete with other transnational corporations in international market. Thus, the competitive force for domestic products to compete in the world market is weak and insufficient to fight with other brands. As a result, it is difficult for Chinese enterprises carrying out transnational operation to develop and grow stronger.

(2) Fund shortage, small scale of operation, and weak competitiveness

In international market, most of the enterprises carrying out transnational operations have strong financial strength and good reputation with high anti-risk capability. And they can finance effectively with their own reputation and capability. By contrast, Chinese enterprises lack ample resources and have small scale and poor anti-risk capability during transnational operations. In addition, the domestic financial market is to be perfected with delayed financial

services. Enterprises lack effect financing environment, which further limits the competitiveness of Chinese enterprises in international market. Thus Chinese enterprises are in the dry tree in international competition.

(3) Low level of internationalized business operation

The modes for Chinese enterprises to enter the international market are mainly production export or establishment of overseas production base and marketing network. For minorities, they build their globalized competitive advantages by establishing transnational corporations in foreign countries. In general, most of the Chinese enterprises are under initial stage of overseas foray at present.

(4) Low level of operation and management and lack of high-quality talents specializing in overseas operation

Chinese enterprises own low level of operation and management skills, lack ruling power of international operation, high-tech talents specializing in transnational operation and management, and overall and dynamic control and analysis of overseas market information. Thus, it is unfavourable for Chinese enterprises to compete with other international economic entities.

(5) Difficulty in cultural compatibility and integration

Because of wide differences of enterprise cultures and customs in each countries and different regions, how to establish unified enterprise culture within short time and integrate the cultures in different countries? It is decisive for the multi-national businesses to succeed in transnational operation. However, the cultural difference between China and western countries often makes the Chinese enterprises lack power in overseas operation.

(II) Macro aspect

(1) Backward in national management system for enterprises' transnational operation and lack of unified and transparent policies

The foreign trade departments each do things in their own way with confusion about duties and responsibilities. And there are a number of problems on approval procedures for overseas operation. Thus the foreign trade departments cannot perform their guidance and supervision functions well, bringing loss of overseas assets.

(2) Incompleted corresponding laws and regulations and incentive policies

The corresponding laws and regulations in China are incompleted and it is short of a series of measures about finance, accounting, foreign exchange, etc. and facilitating agencies to obtain international market information. And overseas operations are under risk due to lack of guarantee of insurance and safeguard mechanism. To some extent, the current situation is

harmful to the enthusiasm of enterprises to go forward the internationalized process.

In conclusion, the domestic enterprises are faced with both opportunities and challenges in transnational operation. On the one hand, business internationalization can help to expand the international market and learn the advanced technologies and management experience of western countries, pioneer an international way suitable for Chinese enterprises, so as to improve the management efficiency for related enterprises, build their competitiveness in international market, and improve the economic status of China; on the other hand, there are still many problems in international operation for Chinese enterprises, such as creation of overseas selling network, establishment of self-owned brands, research and development of core technologies. Under such complex and tough international environment, it is a great challenge for Chinese enterprises to carve out their own way.

1.1.2 Significance of research

Since 1990s, many of the enterprises from developing countries, especially from emerging marketing economies, have begun to invest abroad on a large scale and carry out international expansion (such as entering the market of foreign countries and establishing overseas branch). Thus, a large number of emerging market multi-national enterprises (EMMNE) appear(Mathews,2006; Luo & Tung,2007). The motivation, direction and tradition of international expansion for these emerging market multi-national enterprises come from those of multi-national businesses in developed countries (DMNE), and they are quite different (Ramamurti,2012). Many emerging market multi-national enterprises are built on the niche market in home country to develop business, improve technology learning and produce products with higher cost performance. Based on this, they begin to carry out international expansion to other countries and regions and establish branches widely to obtain assets. And they overcome the limitations caused by domestic technological system and marketing environment, and take international expansion as a springboard to achieve future development (Luo & Tung,2007).

As China is the biggest emerging economy all over the world, the internationalized process of China has drawn great attention of the whole world without question. The business internationalization in China is developed gradually accompanied by the policy of reformation and opening. Different from many developed countries, Chinese business internationalization has many unique features and there is no experience on internationalization for information. Therefore, an important mission currently is to study

Chinese business internationalization and explore a way suitable for transnational operation of Chinese enterprises. Along with the development of economic globalization, the business internationalization plays an increasingly important role in world economy. With the in-depth development of international division of labor, high rate of capital flow, and improvement of interactive industrial structure in each country, how to improve the competitiveness of domestic enterprises in such a complex international environment and tough international competition becomes one of the problems to be solved urgently for Chinese enterprise currently. Under the main trend of good development of global business internationalization and background of marketization and openization of domestic economy, the thesis is to discuss the internationalization of Chinese enterprises with lessons from the research techniques of the previous scholar. In order to guarantee the research to conform to the domestic specific circumstance, the thesis takes the Chinese enterprise engaging in transnational operation as examples. Therefore, the research is of theoretical significance and practical significance for internationalization of Chinese enterprises.

From the theoretical significance, in an environment with continuous development of economic globalization and quick changes of world economic situations nowadays, how to adapt to the changes in world economic situations, optimize the allocation of resources, and improve the business performance of Chinese enterprises becomes an urgent task. However, internationalization of Chinese enterprises is the product under the specific national conditions and distinctive policies in China. The business internationalization is accompanied by economic marketization and there are significant differences between the international operation of Chinese enterprises and that of the other countries. Therefore, research on behavior and route of domestic business internationalization can not only direct the practical business internationalization in China, but also rich the internationalization theory of emerging market firms (EMFs). In addition, it can also provide theoretical foundation for the future research since China has "provided a good test case for general (EMFs) FDI theory"(Buckley & Lessard,2005).

From the practical significance, since China has entered the WTO in 2001, the international expansion process of Chinese enterprises is full of hopes and challenges. On the one hand, domestic enterprises can export their products to other countries to achieve economies of scale and scope; on the other hand, since China has opened many industries successively, domestic enterprises are faced with more and more severe competitions from other transnational corporations all over the world. If domestic enterprises do not go abroad and carry out transnational operation, they will certainly be faced with a limited development

space, which is harmful to the development of their management performance and display of their overall international competitiveness, and hinders their internationalized processes. And then the domestic economic development and overall economic strength will be impacted. Thus the current situation becomes an urgent problem to the research of Chinese business internationalization. Moreover, for the domestic enterprises carrying out internationalization currently, most of them choose export trade as their transnational business strategy, while few of them select FDI. These enterprises are of low degree of internationalization with poor business performance. The research provides corresponding countermeasures for Chinese enterprises by studying their behavior and route of business internationalization, which are not only helpful for implementation of transnational business strategy and improvement of international competitiveness, but also of great help to increase of their management efficiency. Therefore, research on strategies of Chinese business internationalization is of significant practical significance.

1.2 Description of research problem

Following the economic globalization, research on business internationalization becomes an important content of strategic management and international business (Bruton et al.,2004). With the increasing status enhancement of emerging economies globally, the global strategy of EMFs has become the research front (Mike Wright et al.,2005). As the largest emerging economies globally, China has drawn the attention of the whole world for the internationalized process, and there are indeed many research achievement about Chinese business internationalization. However, there are theoretical insufficiencies.

First of all, these researches draw plenty of attention to that as one of the host countries of outside financing, China has widely expanded the research to every aspect, such as environment of host countries, relationship between the parent company and its subsidiary companies and roles of subsidiary companies(Wang,2000); and the concerned problems include: regional advantages for China to attract outside financing, overflow effect of outside financing, strategic research for subsidiaries in china of transnational corporations(Zhao et al.,2007). However, as China is the home country of investments abroad, no due attention is paid to China. Along with economic development of China, China's economy has become a decisive portion in world economy. Insufficient understanding of the overseas investment for Chinese enterprises will lead to unilateral recognition of the whole FDI(Deng,2007).

Second, throughout the major theories of internationalization of transnational firms, all

of them emphasize on the firm specific advantages, which are the internal motivations to drive the international expansion. The theories think that the basis for transnational enterprises to carry out international expansion is to own more advantages than those of host country enterprise, and the motivation of investments abroad is to make better use of these advantages abroad and gain more benefits. These theories make a good interpretation for the phenomena that in 1950s ~ in the middle of 1980s, many transnational enterprises in developed countries make investment to enterprises in developing countries, and EMFs make use their comparative advantages to directly invest to the enterprises of the same class or in countries with lower development level. However, faced with an ever-increasing number of EMFs investing against the tide to developed countries, the traditional theories are caught in confusion. Since compared with firms in developed countries, EMFs appear to be no strong special advantages which can be directly used for market in host countries before investment, such as sophisticated techniques, management knacks and famous brands. Therefore, facing such investment against the tide, the interpretation of resource utilization seems like powerless. Under such trend, the foreign researchers begin to research from strategic management and use the emerging point of resource development to study the strategic essence of such investment. In recent years, the international expansion of emerging economies, especially expansion to the developed countries, has gradually become the focus of theoretical research on internationalization. However, these researches mainly focus on the countries and regions such as Central Europe, Eastern Europe, Latin America, Korea, Singapore and Taiwan, with fewer researches on direct investment from Chinese enterprises to developed countries (Chen et al.,2007). Since China has entered WTO, china's economy has gradually been integrated into the world economy, and the issues of strategic management for Chinese enterprises have gradually become global issues. In this situation, the Chinese government has been deeply aware of that outward foreign direct investment is an essential stage for development of Chinese enterprises, and also a prerequisite condition for enterprises to develop their competitiveness in global market. However, related researches which are relatively fewer at present mainly concentrate on macro economy, for example, discussion about institutional barriers of investments abroad(Han,2006;Wang,2006), impact of GDP on investment areas (Cheng & Ruan,2004). In addition, most of the researches are recapitulative theoretical reviews or general pattern analysis(Deng,2004; Warner et al.,2004; Li,2005; Wu,2006; Yan,2006; Zhang,2006). Research results of strategic importance are relatively infrequent, and systematic researches on overseas investment strategy of Chinese enterprises from micro-enterprises are much rarer (Chen & Di,2008). As the world's largest emerging

economy and the largest overseas investor among the emerging economies, China is undoubtedly worthy of special attention for the internationalization of domestic enterprises.

Thus, from the above mentioned views and based on the existing research results and their inadequacies, the thesis tries to study the special behavior in the internationalization process of Chinese enterprises. The research focuses on the following questions.

Question 1: Why Chinese enterprises are able to go out?

From the internationalization process of Chinese enterprises, Chinese enterprises go out abroad rather late, and the starting time basically began from 1990s. In 21st century, internationalized activities happen frequently. So we have to say such a phenomenon is the result of environment in home countries of enterprises. From traditional theory, the basis for transnational enterprises to carry out international expansion is to own more competitive advantages than those of enterprises in host countries. Obviously, most of the Chinese enterprises lack such conditions. But we truly witness a growing number of Chinese enterprises to go abroad. So what's the reason for them to carry out international expansion? This question integrates related researches on strategic management and international business, and focuses on driving force of internal and external resources of enterprises for international expansion of Chinese enterprises.

Question 2: What's the strategic motivation of "Going Out" for Chinese enterprises?

The traditional internationalization theory thinks that the purpose for enterprises to carry out international expansion is to make best use of their competitive advantages. This may explain the overseas investment from Chinese enterprises to some developing countries or less developed countries nowadays. However, Chinese enterprises are obviously under the competitive disadvantages for overseas direct investment to developed countries. For such investment, obviously the purpose is not to make use of competitive advantages, but to seek competitive advantages. Different from the strategic motivation of asset utilization in previous researches, this thesis will replace it with opportunity seeking strategic motivation. In fact, from the ultimate purpose of asset utilization, enterprises carry out international expansion to seek opportunities. However, the scope of opportunity defined in the thesis is broader and is able to cover the scope of strategic motivation of enterprises. Thus asset seeking and opportunity seeking are selected in the thesis as the final strategic motivation for Chinese enterprises. The thesis will focus on the change rules of these two motivations in the internationalization process for Chinese enterprises.

Question 3: What are the features of Chinese enterprises in process?

Although there are researches on driving force and strategic motivation of EMFs, and

certain theoretical analyses are conducted from resource-based view and organizational learning. However, these researches do not combine them together. And there are certainly fewer researches about Chinese enterprises. Therefore, in this research, we try our best to combine the above two dimensions together with the thought of balance to find out some special behaviors of Chinese enterprises during internationalization. Question 3 is the research emphasis for the thesis based on question 1 and question 2.

1.3 Definition of related concepts

This paper involves these main definitions:

EMFs'International Expansion

We define EMFs as companies that originated from emerging markets. International expansion refers to behavior that enterprise has realized International diversification by expanding their business into multiple countries or regions (market)(Hitt et al.,1994; Hitt et al.,1997; Zahra et al.,2000; Hitt et al.,2006), Particularly, this paper emphasized the international expansion by building overseas branch in a number of countries through multinational enterprise organization form(Chen & Martin,2001; Guillén,2002; Laurila & Ropponen,2003; Luo & Tung,2007; Ghosh-Dastidar & Adeli,2009).Definition on specific operation(Chen & Martin,2001): Enter into other countries by establishing, building and obtaining new business abroad entity (such as branch offices, factories, etc.); including export, licensing and other indirect business entering form. In this paper, EMFs' international expansion refers to international companies that are engaged in outward FDI, where they exercise effective control and undertake value-adding activities in one or more foreign countries(Luo & Tung,2007).

Assets seeking

Due to its inherent competitive disadvantage EMFs have stronger motivation to get strategic assets to overcome their own disadvantages of backwardness and to catch up with their foreign rivals(Deng,2009; Yang et al.,2014).The key assets EMFs seek may include technology, knowledge, R&D facilities, human capital, brand, management experience and natural resources.It is necessary to satisfy the following two requirements with these assets:(1) Support mother country economic and social needs;(2) Make up competitive disadvantage on enterprise level(Luo & Tung,2007).The assets seek is regarded as important dimensions during describing external situation before and after EMFs "springboard", and It is also regarded as a basic variable dimension influencing international expansion behavior.

Opportunity seeking

EMFs searching and grasping the opportunity is the basic motivation of its "springboard" behavior. They can take advantage of "relative specific advantages" (relative specific advantages) to enter into some new emerging market countries or some country that has lower development level than mother country in order to obtain the market and improve efficiency (Wells Jr,1977; Wells,1983; Dunning & Lundan,2008; Yang et al.,2014). On the other hand, not only because the domestic system vulnerability of new emerging markets can affect the growth of enterprise competence but also because the limitation of circumvention system, EMFs was forced to "escape"(Witt & Lewin,2007). Generally speaking, in order to seek opportunity, EMFs is committed to:(1) Enter into the niche markets in the developed markets in order to strengthen their own advantages;(2) Obtain financial and non-financial terms provided by the host country and/or home country government;(3) Improve the scale and reputation of the enterprise;(4) Avoid restrictions of local agency or market;(5) Bypass trade barriers and enter into the developed markets;(6) Seize the opportunities to use manufacturing capability and cost advantage in other developing countries;(7) Seek field that nothing to do with the opportunity but has potential (Luo & Tung, 2007). Based on the construction of subject, this paper put logical link process and the driving dimensions "assets" at an equally important stage.

Internal resource

In article "*The theory of the growth of the firm*", Penrose(1995) described the enterprise as "a resource collection with boundary coordinated and limited by administrative framework." She regards the enterprise's internal resources as its growth motivation and headspring; enterprise's growth is a product of excess resource and knowledge level improvement on resources; and the enterprise's growth should be attributed to the use of internal resources. As important strategy for enterprise to obtain competitive advantage and sustainable growth (Chen et al.,2012), International expansion needs resources support. According to the resource-based view, as the foundation of the enterprise, resources are also the precipitating factor that leads to enterprise expansion. The internal resources referred by this article include three aspects:(1) Tangible resources: Tangible resources refer to the visible resources which can be measured by money, including material resources and financial resources. Material resources include land, factory building, production equipment, raw materials, etc. It is the physical resources of an enterprise. Financial resources are the funds that can be used by enterprise for investment or production, including accounts receivable, marketable securities, and etc.(2) Intangible resources: Intangible resources refer

to resources that accumulated by enterprises over a long period of time. It has no physical form and it can't be accurately measured by money. Intangible resources usually include brand, reputation, technology, patent, trademark, enterprise culture and the organization (international) experience, etc.(3) Organizational resources: Organizational resources refer to the enterprises' skills to coordinate and cultivate all kinds of resources. It integrated the enterprisers' tangible resources with the intangible resources in order to realize the transformation of input to output.

Outside resources

The growth of the foundation not only comes from the enterprise internal, also from the outside of the enterprise. Timmons (1994) points out that the growth of a firm is a process of pursuing opportunities by resources application, regardless of the source and ownership of resources. Enterprise growth is not only attributed to the resources that owned or controlled by enterprise and the internal resources accumulated by enterprise, it also should be attributed to the resources that it can use. Relative to the internal resources, external resources refers to all the social and environmental factors that have an impact on business but can't be controlled by an enterprise. Such as: enterprise social and public relations, the local economic environment, natural and humane environment, suppliers, customers, etc. In general, as a new-comer lacking strong capability (Mathews, 2006), EMFs will encounter many difficulties in international expansion which stimulate the urgency to use the power of the external resources to overcome their own resource bottleneck. For example, the enterprise can acquire low interest concessionary term with the help of supporting policy coming from mother country.

1.4 Research strategy

1.4.1 Research objects

The research object of this paper is transnational enterprises that have at least one overseas branch regarding china as its mother country. Chose concept definition of the emerging markets (international) enterprise narrated above: Owned at least a branch office which located in other country, Enterprise originally coming from emerging market/emerging economies grows up to EMMNE through outward foreign direct investment (Luo & Tung, 2007). The international expansion of Chinese enterprises researched by this paper is behavior to invest in other countries and to establish affiliated agency including the expansion

to the developed and developing countries. The four Chinese firms selected by author of this paper conform to this definition all.

1.4.2 Research methods

Based on clarity of the research issue of this paper, the article adopts the method of qualitative research to study Chinese enterprise internationalization behavior. The specific methods adopted are as follows:

Literature research method

Regarding problem as guidance, the method of literature research refers to researching, reading and collecting towards document. In this research method, theoretical perspectives were accepted or rejected by the author according to some principles. (wang, 2010). Before the research question of this paper was set up, the author has collected, sorted and analyzed a lot of English and Chinese literatures on EMFs (or Chinese companies) international expansion. This built up the important theoretical basis for this article. In this paper, the literature retrieval and collection was based on database resources platform (including foreign language literature database EBSCO, Proquest, Elsevier (Science Direct) of university of electronic science and technology (UESTC) library, Chinese document database-China National Knowledge Internet (CNKI), VIP information (VIP), and Google academic search platform. The core literature involved mainly comes from high-level journal in the field of strategic management and international business areas, such as AMJ, SMJ, JIBS, JWB, JM, etc. Through literature collecting, reading and sorting, induction, we have clarified the research status on international expansion of EMFs and the study of network theory, the research question of this paper is presented based on these preparatory work. Literature research method is mainly used in the second chapter literature review in this paper, and the following chapters also involves a small amount of literature research method.

Case Analysis Method

Case analysis was important research method in psychology, sociology, political science, economics, management and business research (Eisenhardt, 1989; Yin, 2003). However, compared with other social science research methods such as test and questionnaire, case study is more advantageous to cast off the yoke of the existing literature and past experience, thus more suitable to apply it into the new society research field and build a new theoretical framework (Eisenhardt, 1989; Sun et al., 2004). In the process of research, this paper adopted the method of descriptive case studies (Eisenhardt, 1989; Yin, 1994) and developed the theory

of Chinese enterprise internationalization. Analysis within cases and analysis between cases were conducted through collecting internationalization related information of four typical Chinese enterprises. The article adopted the method of longitudinal case study, involving the multi-stage analysis of the enterprise. The many-years data in the process of enterprise internationalization of the case enterprise was mainly collected and divided into stages. The multiple stages motivation of international expansion and the characteristics of relied strength was collected and concluded.

1.5 Frame structure and chapter arrangement of this paper

Chapters of this paper are arranged as following:

Chapter one, Introduction: This chapter embarked from two aspects, the research background and research significance. Then the research issues were proposed and the main concepts involved in the study was described and defined. The research technology route, chapter's arrangement and the main innovation point of this study was introduced

Chapter two, Literature Review: This chapter of this article summarized the following involved theoretical basis in this paper, resource-based View (RBV), resource dependence theory (RDT), international network embedded theory, springboard theory. The international expansion of EMFs was also summarized in this chapter. All these summarization has provided a theoretical support platform for the construction of analysis framework of this study.

Chapter three, Research Design: This chapter has showed a general description of the research mentality and the data processing of this article.

Chapter four, EMFs Strategic Evolution Process and Rule Research: This chapter formed the quantifiable data through standardized data processing of case events. Through the method of events path analysis, it revealed the EMFS strategic motivation and the evolution process of depending strength and the rule. At the same time, on the basis of process analysis, this chapter has discussed and put forward the proposition.

Chapter five, The Research on Strategy Evolution Mechanism of EMFs: Based on LL model, this chapter revealed the essence of EMFs establishing international links and moving assets and opportunities outside, and from the perspective of resource dependence by building a linkage links with alternating dominant model to explain the internationalization process of EMFs.

Chapter 6 Summary and Future Prospect: This chapter summarized key research

conclusion of this research, elaborated the theoretical and practical significance of this study, further clarify the main innovation point of this study, and pointed out deficiencies and the direction of further research.

In conclusion, the frame structure of the chapters is illustrated by the following picture.

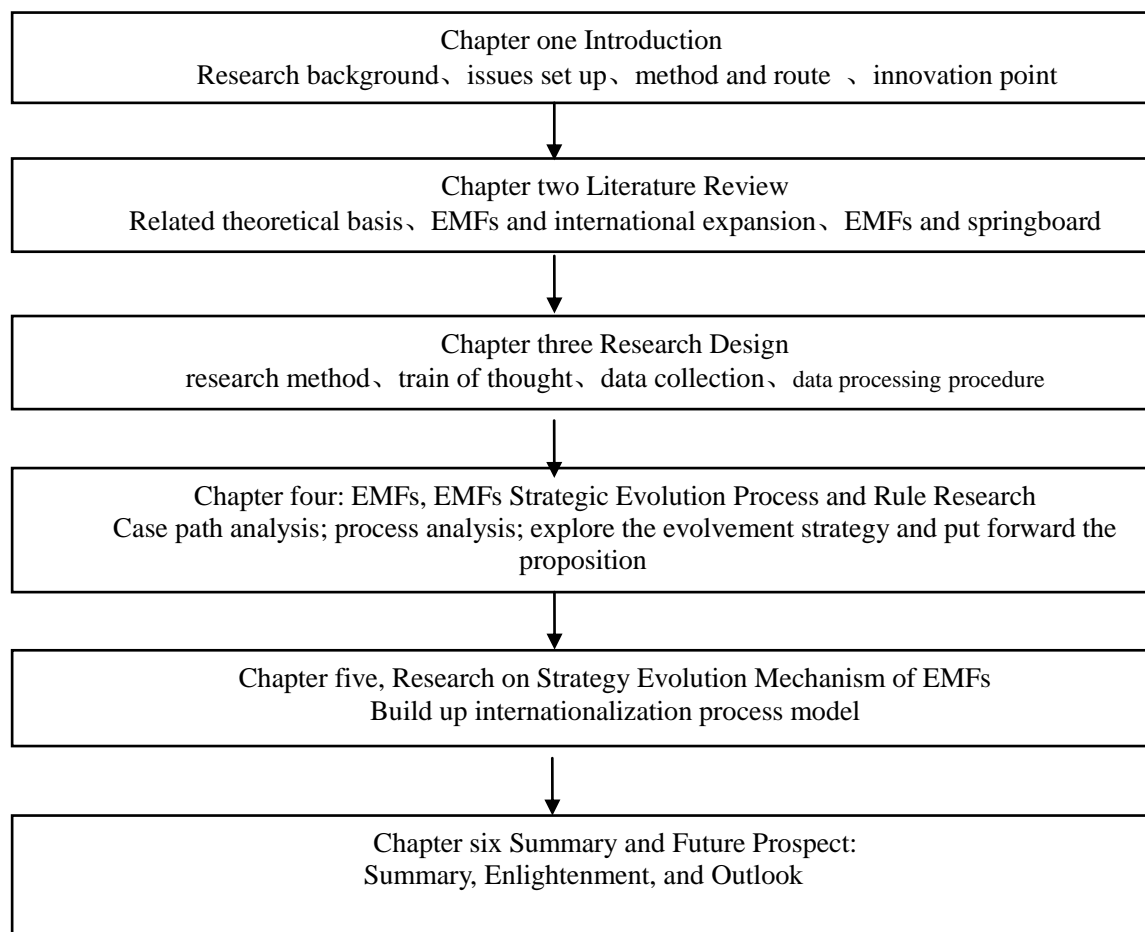


Figure 1- 1: Frame structure of the chapters

1.6 Innovation points of This Research

On the basis of inheritance of existing research results, this paper has carried on the deepening and expanding in the following three aspects:

(1) Based on balance thought, the paper has further refined special behavior during the process of internationalization of Chinese enterprises.

Since "the internationalization process model" was put forward by Johanson and Vahlne

(1977), scholars in international business management field have tried to use this model to explain EMFs international behavior from the Angle of their respective, but it can't explain the "radical", "adventure" internationalization behavior of enterprises well. After decades of exploration, the research on EMFs related behavior in the process of internationalization has made certain achievements. It's also worth pointing out that the current scholars do not reach an agreement on the behavior of EMFs internationalization process, including certain capriciousness on dimensions divisions of strategic motivation. Under the "springboard" perspective, this study followed the ideas of the balance, regarded integrating the strategic motives and resource dependence as its core and explored special behavior of Chinese enterprises in the process of internationalization from the combination of each dimension. The proposed propositions in this paper were explained through the descriptive case study providing certain reference significance for further research on Chinese enterprise internationalization theory.

(2) The strategic motives of Chinese enterprise international expansion have been made clear, and the research of the EMFs strategic motives has been expanded.

Research on strategy motivation of enterprise internationalization is a common phenomenon. Existing research explaining the formation of EMFs strategic motivation mainly based on the resource-based view and organizational learning theory. Typically, strategic motivation can be divided into assets and asset utilization from the Angle of assets. However, compared with developed market enterprises, EMFs had a weak asset utilization motivation. On the contrary, seeking opportunities included more comprehensive China business partner strategic motivation and was more in line with the objective reality. This study divided internationalization strategy motivation of Chinese enterprise into motivation on asset and opportunity seeking from the "springboard" angle. Therefore, it had a significant contribution on identifying internationalization strategy motivation of Chinese enterprise.

(3) This paper has proposed a internationalization process model based on interlinkage and alternating dominant strategy.

It has made a contribution to related research on EMFs internationalization process. At present, research on EMFs internationalization was mainly concentrated on cause or driving factors (for example, enterprise scale on enterprise level and industrial structure on industry level), and process research is relatively small (Deng, 2013). In the current EMFs influential theory, Uppsala gradual internationalization model by Johanson & Vahlne (1977) cannot explain the EMFs radical internationalization process; The springboard of evolution theory by Luo & Tung (2007) cannot explain the internationalization strategy; LLL model by

Mathews(2006) did not consider the perspective of resource dependence. Absorbing the Uppsala gradual internationalization model, LLL model and springboard theory, this article proposed a internationalization process model based on interlinkage with alternating dominant strategy, enriching the theory of the internationalization process and expanding the boundary of the existing theory.

1.7 Conclusion

This chapter expounded the significance of the research on Chinese enterprise internationalization behavior from angles of theory and practice; clarified the main research direction key concepts, research objects and research methods of this study; explicated the technical route, chapter arrangement and expected innovation point of this paper and made a sufficient preparation for expansion of the full text.

With the advent of economic globalization, internationalization has become an important strategy for enterprises to seek competitive advantages and to gain sustainable development (Chen et al.,2012). Under the background of open innovation, international market has become an important source of innovation. Especially for China's enterprises, facing the double restriction coming from technical disadvantage and market disadvantages, there is urgent need to pursue the incumbent through innovation;there has certain theoretical gap among strategic management, international business field for research of Chinese enterprise internationalization behavior, this provides the basic reality and theoretical background for this paper. In view of this, this paper put forward the following three research questions: (1) Why Chinese companies can "go out"? (2) What is the rule in the process of Chinese enterprises "going out"? (3) What are the strategy features of China enterprise in the process of "going out"?

With research questions, this chapter defines the related concepts, and then introduced the technical route, the overall section arrangement and research methods of thesis research. Finally the possible innovation points were pointed out.

Technology roadmap of this paper is as follows:

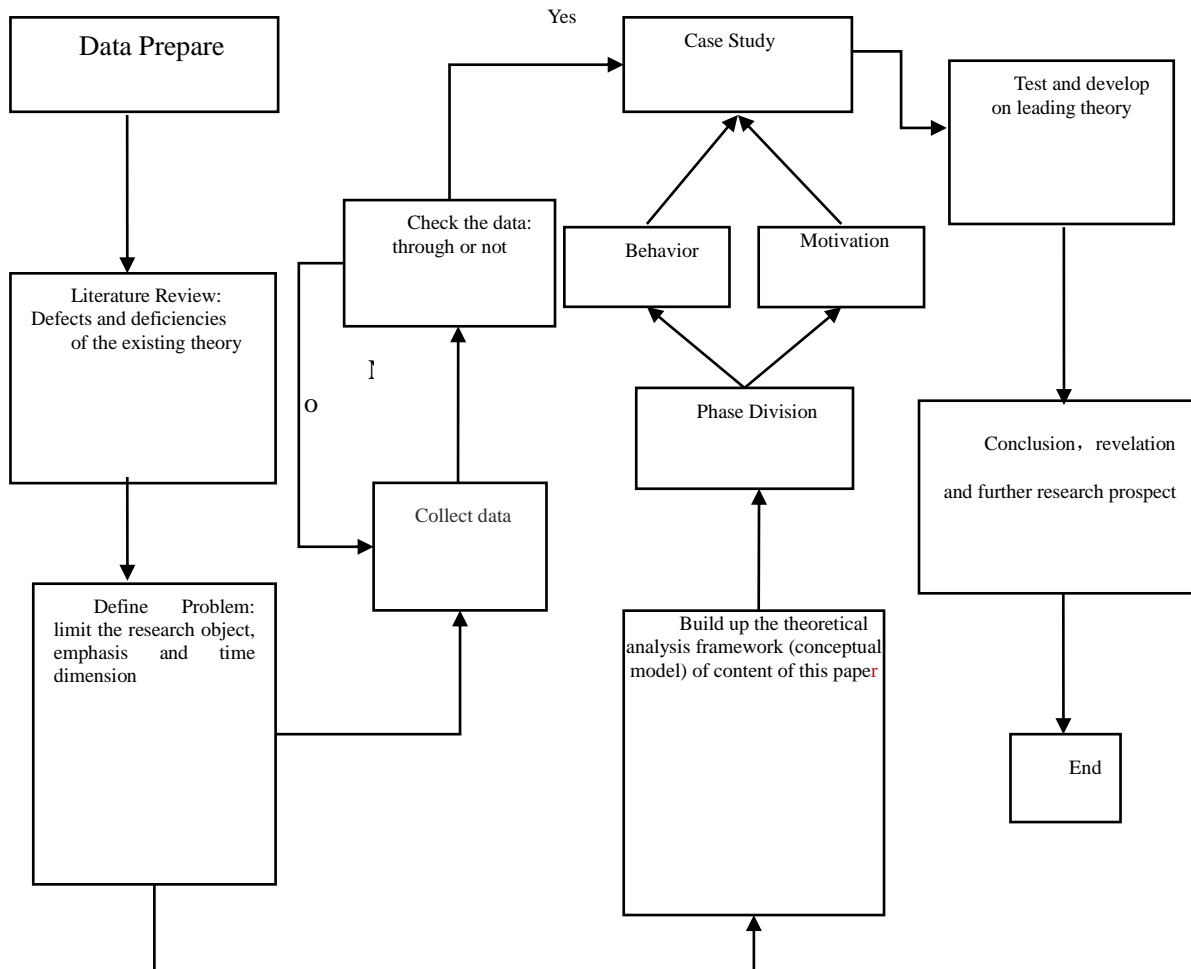


Figure 1- 2: Technology roadmap

Chapter 2: Literature Review

2.1 RDT

Since 1960s, researches on organization theory have turned from internal organization to external one, and begun to focus on environmental influence to organization as well as relationship between organization and environment. Connecting the organizational problems with external organization environment, an open system model has formed, and RDT started to become popular.

Since the book—*The External Control of Organizations: a Resource Dependence Perspective* has been published by Salancik & Pfeffer (1978), RDT became one of the most influential theories in the fields of organization theory and strategic management. It regards company as an open system, a situation depends on external environment. Pfeffer & Salancik (1978) pointed out that "To understand the behavior of an organization, you must understand the situation—the ecology of organization." They maintain the basic hypothesis of RDT is that no organization is self-sufficient, and all organizations need to do exchange with their surroundings to survive. Organization's dependency to external environment lies on the scarcity and importance of needed resources. Specifically, the external dependency of organization lies on three aspects: firstly, the importance of resources for organization's survival; secondly, the degree of obtaining/processing resource used for specific groups of internal or external organizations; thirdly, whether there is any alternative resource or not.

Ulrich & Barney (1984), after collating earlier scholars' viewpoint, believe that RDT implies three basic hypotheses: firstly, organization is a synthesis, which consists of internal and external organization; secondly, there exist valuable and scarce resources for organization in external environment; thirdly, there are two trade-off goals between organization and external environment—organization's taking control of resources, on the one hand, is to reduce its dependency to external environment; on the other hand, through controlling resources, it aims to enhance the dependency of other people or other organizations in external environment to itself. RDT maintains that resource exchange is the core link connecting organization to external environment, and it approbates the influence of external factors on organization behavior. RDT also holds that though organization is restrained by external situation, the manager can lower the dependency to external resources and environmental uncertainty by taking some actions. The key in these actions is the concept of

'Power' which means the control of key resources (Ulrich & Barney, 1984).

In general, RDT mainly include the following three points:

Reduce environmental uncertainty. Pfeffer and Salancik (1978) consider that if the exchange relation between organization and external environment is uncertain, we should enhance the control force of key areas and reduce the dependence on a certain important resource to transform the interdependency of organization. And if the organization can't effectively control the resources needed, we can lower the environmental uncertainty by establishing cooperative relationship with other organizations in external environment.

Obtain needed resources for organization's survival. The basic hypothesis of RDT regards that in external environment, there exist required, key, and scarce resource for organization's operation. Therefore, firm's survival and development must rely on resources provided by some organizations in external environment as its input, and meanwhile, it also relies on other organizations as the destination of its output (Pfeffer & Salancik, 1978). In the open system, interaction among organizations is embodied as exchange of tangible or intangible resources, the result of which is improving the stability of resources, and thus promote firm growth.

Strengthen the power of organization. According to RDT, "dependence" is a kind of mutual behavior. Thompson(1967) pointed out that the implement of cooperative strategy can gain power through exchange of commitments (Pfeffer & Phillip, 1976).

In conclusion, RDT contributes to explaining that when there is gap between needed resources for organization operation and its possessed ones, the organization can gain important resources from external environment to build its own core competence. RDT focuses on harmonious relationship between organization and external environment, emphasizing organization's dependency to external resources. Due to its own limited resources, organization needs to cooperate with other organizations that have the control of key resources to ensure the stability of resource access. In fact, the firm network discussed below is also mainly based on the perspective of RDT.

2.2 EMFs and international expansion

Started with research questions, this section summarizes and reviews related basic concepts and research situations. It points out theoretical inheritance and context specialty of the research on emerging market multinationals international expansion, and reviews the concept and motives of multinationals international expansion, and based on which, the

strategic intent of EMFs international expansion is analyzed. Literature review in this section not only gives definitions of basic concepts and situational category mentioned in this research, but also provides essential foundation for following case studies.

2.2.1 Situation of research objective: emerging market (multinational) firms

This dissertation aims to study Chinese firms' international expansion. As emerging market multinational, Chinese firm's international expansion has their features, but the feature and impact of international expansion may have something different from that of traditional multinational firms from developed countries. The concept of emerging market multinational is defined and is distinguished from other similar concepts in this section.

During 70s-90s in last century, with home countries' economy developed and deepening globalization, firms of newly industrialized countries (Korea, Singapore, etc), the third world, developing countries (Philippines, Indonesia) (Lecraw,1993), and Middle East oil-producing nations launched internationalization (Guillén & García-Canales,2009); and since the late 1990s, with the rapid development of economy in emerging market economy countries (especially in BRICS), EMFs began large-scale international expansion (Luo & Tung, 2007; Ramamurti, 2012). The reason that New MNCs from these countries (Guillén & Garcia-Canal, 2009) could gain attention of academia is the impact they brought to European and American market as well as the international expansion features which are different from that of traditional multinational firms from developed countries (Aulakh,2007). Emerging Market Multinational Enterprise or EMMNE concerned in this dissertation is a type of new multinationals mentioned above, which refers to multinational enterprises comes from emerging market economy countries (such as China, India, Brazil, Russia, South Africa, and Mexico) and take these countries as home countries (Luo & Tung, 2007). Generally speaking, emerging market economy countries belong to developing country, and Emerging Market Multinational Enterprises belong to Developing Countries Multinationals (Yamakawa et al.,2008) or Less Developed Countries MNE (Makino et al.,2002).

In these emerging markets, the most eye-catching one must be the so-called "BRICS". Enterprises that come from these five countries have greatest impact on global economy. Even though EMFs come from major economic regions over the world (including Asia, Africa and America), researches on Asian enterprises are in forefront of EMFs research (Bhaumik et al.,2010). More concretely, studies on Chinese and Indian Enterprise usually take an important part in this field. For example, among the latest issue of special editions about Asia

published by JIBS (published in April, 2010), there were three papers studying how did Chinese and Indian enterprises conduct international expansion. Studies on Chinese enterprises are of more significance, for China "provides a great test case for general (EMFs) FDI theory (Buckley et al., 2005)". Meanwhile, insufficient understanding of China's foreign investment will lead to one-sidedness when learning the whole FDI field (Deng, 2007). Based on this, this dissertation chooses four typical Chinese enterprises (Geely, Haier, TCL and Huawei) as research objectives, covering different industrial fields.

2.2.2 International expansion of multinational enterprise

As multinational enterprise's important strategic behavior (Chang, 1995; Chen & Martin, 2001; Contractor et al., 2003,2007; Gimeno et al., 2005; Guler & Guillén, 2010; Hashai, 2011; Hitt et al., 2006; Jonsson & Foss, 2011; Kumar et al., 2012; Luo, 2000; Zahra et al., 2000; Chen Jin, 2012), international expansion (usually equal to foreign expansion) has attracted much attention from scholars in the field of enterprise strategy and international commerce (foreign investment) (Hitt et al., 2006). It is a summary and overall description of enterprise internationalization from the perspective of strategy (approximate to the concepts of internationalization, multinationalization, and geographical diversification). Enterprise gradually deepens its nature as multinational enterprise through international expansion (Contractor et al., 2003; Kirca et al., 2012). From strategic perspective, enterprise's focuses have gradually turned from business diversity and product diversity to geographical and international diversity, taking enterprise's international market entry as a form of diversification (José Mas-Ruiz et al., 2002; Kotabe et al., 2002; Hitt et al., 2006); from the perspective of international commerce, with the deepening of globalization, various market entry and foreign investment is becoming more and more flexible and diverse. Researches on foreign investment have turned from analyzing entry modes and investment control to the foreign investment's (portfolio) influences on the advantages, risks and performance of the enterprise (Hitt et al., 2006). Many scholars have defined the concept of international expansion from the perspective of enterprise geographic diversification and enterprise's entry mode selections for foreign market, put forward international expansion's motives and the implementation of expansion path, and analyzed the influential effects of international expansion on enterprise's performance variable in detail.

2.2.3 International expansion of EMFs: strategic intent and model

Some scholars maintain that EMFs international expansion shares similar motives (such as market-seeking, efficiency seeking, resource seeking and intangible asset/ knowledge seeking) with other multinational enterprises, and continues with the same theory framework used to explain internationalization of traditional enterprises from developed countries. Nevertheless, some other researches argue that existing theories such as Product Life Cycle (PLC), the stage model of firm's internationalization process and OLI Model (ownership advantage, location advantage, and internalization advantage) have a certain explanation power. However, this explanation power is so limited (such as ignoring EMFs status, behavior of asset seeking and learning orientation)(Mathews, 2006) that these theories need to be extended or adopted from a new angle(Gammeltoft et al.,2010).

As for extension and modification of OLI, some scholars put forward theory of LLL—Linkage, Leverage, Learning (Mathews, 2006) to explain the internationalization of EMFs. The LLL means: firstly, link (gain, use) other countries', especially developed countries', assets which are usually intangible assets (such as advanced technical knowledge) and relation network which are difficult to obtain in home country; secondly, take advantage of resources and capabilities in home country to lever overseas business opportunities, for example, use ownership advantage in traditional OLI model to transfer resources and capacities to superior location; thirdly, learn in the process of internationalization and repeat linkage, leverage, thus to cultivate enterprise capabilities. It is observed that LLL theory emphasizes the linkage of assets and importance of EMFs learning, for instance, the importance of linking overseas knowledge and importance of learning behavior, which is the biggest difference with traditional multinational investment theory.

Another thinking of extension and modification of OLI is to change utilization of advantage into the "spring-board" of advantage seeking. Based on LLL, some scholars stated that internationalization path of emerging market firms is to eliminate latecomer disadvantage, strive for and make use of latecomer advantage, and take advantage of the opportunity window of internationalization to achieve growth, and then move to more beneficial market segments. What's more, emerging market firms need to devote themselves to integration process and capacity building in the process of internalization, and catch the opportunity to realize rapid internationalization by organizational and strategic innovation (Bonaglia et al., 2007). On this basis, a few scholars regard environment, resources and capacities, and international expansion of home countries as overall development path, remarking that

international expansion is the "springboard" to obtain advantages which are not available in home countries (Luo & Tung, 2007): according to spring-board theory, EMFs from countries such as China and India often gain superior resources complementary to home countries and more friendly environment through international expansion, and thus to compensate the limitation and inferiority of home countries' environment. The motivation of spring-board can be divided into asset seeking (such as technical knowledge and brands) and opportunity seeking (such as market and system).

Some researches have made further synthesis and summary for motives and intent of emerging market firms' international expansion. Home countries' environment, and strategy and capacity characters of EMFs lead to strategic intent based on mixed motivation. From this, some scholars raised strategic intent perspective (SIP) of EMFs international expansion, for instance, EMFs often mix a variety of intents such as strategic capacity seeking which compensate the weakness of home country, utilization of ownership advantage, home countries' institution driving and breakthrough of institutional limitation (Rui & Yip, 2008). Taking the thought of mixed intents as a reference, content-process model has been put forward by some scholars who merge theories of LLL and OLI. And through this model, it has been emphasized that LLL focuses more on external while OLI focuses more on internal, so they should be merged together in the process of internationalization and learning (Li, 2007; Yaprak & Karademir, 2010).

Under the influence of mixed intents from SIP, recently some researchers studied the ambidexter feature of emerging markets' international expansion. This ambidexterity can be considered as assets seeking (exploring) and assets utilization, for example, seek (explore) assets to gain resources and remedy competitive inferiority when leveraging existing resources in the use of market opportunity (Luo & Rui, 2009). Some earlier researches have already noted that firms from developing countries not only make use of ownership advantage in OLI model, but also develop this advantage through investing abroad (Lecraw, 1993). According to some investment reports, it is found that in addition to invest in other developing countries and emerging economies, EMFs also actively invest in developed countries (Gammeltoft et al., 2010), which is mainly to seek assets (Chen Tao, 2008). In terms of spring-board theory, Chinese enterprises tend to explore advantages from developed countries while use advantages in developing countries, which also form a kind of ambidexterity (Wright et al., 2005). All motive-intents mentioned above are organized as following:

Table 2- 1: Literature about motivation

Theoretical Perspective	Main points	Representative literature
Traditional perspective: economics of scale and scope, transaction cost saving, OLI (ownership- location - internalization advantage)	Pursue scale and scope economy, save transaction cost in international markets, transfer the ownership, seek location advantage and seek internalization advantage in the process of global integration	Dunning, 1995, 2000
Perspective of LLL(linkage-leverage-learning)	Link foreign assets, take advantage of superior resources in home country to lever overseas opportunities, keep learning through repeated linkage and leverage	Mathews, 2006; Bonagli et al., 2007; Li, 2007
Springboard theory	Obtain unavailable superior assets or assets which are complementary to home countries' resources, take use of opportunities in foreign countries to remedy the weakness and break through limits of home country	Luo & Tung, 2007
SIP	Assets achieving, advantage utilization, mixed intents of market and institution seeking; merge OLI and LLL together, having different process, different stages and different contents with them	Rui & Yip, 2008; Li, 2007
Perspective of ambidexterity	Proceed assets seeking and assets utilization simultaneously: mainly seek assets and use assets in developed countries while only use assets in developing countries	Lecraw, 1993; Luo & Rui, 2009; Gammeltoft et al., 2010; Wright et al., 2005

2.2.4 Summary

Aiming at situation and topics of research object and centering on relevant researches about EMFs and international expansion, this section defines the concept of emerging market firms and differentiates it from other similar concepts; summarizes the concept, motives and paths of multinational enterprises' international expansion. And on this basis, it comes up with strategic intents and models of emerging market multinationals' international expansion.

To sum up, this section mainly includes following several points:

Firstly, researches on international expansion of Chinese firms need to adopt the situation of EMFs. International expansion itself needs to be clear about nation's diversification, branch function, motives, path model, and influence on performance and other

like issues. Under the situation of emerging economies, the international expansion of EMFs possesses certain special motives, strategic intents, expansion models, as well as environment and capacities of home countries, and all of these have some impacts on the expansion's performance.

Secondly, EMFs proceed international expansion to developed and developing countries at the same time with two intents of assets seeking and assets utilization. They seek assets for the purpose of improving their own competitiveness in the world, and use assets mainly for creating opportunities. At the same time, EMFs enter into many different regions and markets. Multiple directions and intents of international expansion often can be found in international expansion of EMFs, which speeds up the whole expansion process. This is a rather typical feature of expansion.

2.3 Network theory

2.3.1 Enterprises' network and internationalization

Definition of enterprise network

In recent years, "network" has become one of the hottest concepts in management field, which is reshaping global business model. Present predominant organizational paradigm and competition mode are developing from single, autonomous enterprise to dyadic alliance, Internet and virtual enterprise, and current industrial organization form is progressing towards virtualization and network. Ubiquitous network, as well as networked industry, enterprise, organization and individual are attracting more and more scholars' research interests. (Parkhe et al.,2006; Liu,2007; Xu,2008). Generally speaking, "nodes" or "positions" and "links" can be deemed as constituting network. Node refers to company, family, strategic business unit, trade association or other organizations, while link means relations among these nodes(Thorelli,1986; Brass et al.,2004).

Through literature review, researchers define enterprise network mainly from three angles: (1) institutions (indicate the socioeconomic essence of enterprise network); (2) relations (emphasize the dynamic feature of enterprise network's forming); (3) functions (clarify the meaningful existence of enterprise network) (Fan Zhigang, 2010; Xu Guannan, 2008). In accordance with existing literature, there are following several definitions of enterprise network as shown in table 2-2.

Table 2- 2: Definitions of enterprise network

Research angles	Author and publication year	Definitions
Institutions	Thorelli, 1986	Enterprise network is an organization form existing between market organization and hierarchical system. It includes not only interfirm coordination, but also market transactions.
	Jarillo, 1998	Enterprise network is an organization form where manager or entrepreneur can use the network to win a more competitive position for his own company. This kind of organization form is not strictly based on price mechanism or hierarchical system, but mutual cooperation.
	Zenger & Hesterly, 1997	Enterprise network is a kind of diversified organization structure existing between pure market and hierarchical organization in company.
Relations	Coleman, 1989	Enterprise network is an important part of enterprise's social capital. It is established by means of interpersonal relationship and increases corresponding human capital.
	Gomes-Casseres, 1994	Enterprise network is a combination of mutually independent companies which connect each other via cooperation agreement.
	Podolny & Page, 1998	Enterprise network is a combination of two or more companies which have repeated and long-term trade activities, but there is no organization authority to do arbitration and conciliation when any dispute occurs.
	Tsang, 1999	Enterprise network is a long-term cooperation agreement, under which commercial activities for economic interests are conducted between two or more independent business entities.
	Dussauge et al., 2000	Strategic alliance means two or more independent companies execute a project or do business in a particular commercial field by combining necessary technologies and resources together, but to execute it independently or merger others business.
	Brass, 2004	Enterprise network is a gradually formed long-term cooperative relationship between the organization and clients, distributors, suppliers, competitors and other organizations.
Function	Miles & Snow, 1986	Enterprise network is a new type of organization form. Under the complicated and changeable competitive environment, members of enterprise network can make combination and recombination

		freely to adapt to the changing environment.
	Johanson & Mattsson, 1987,1988	Enterprise network is a complex combination of interaction relationship among companies. It is a long-term and purposive organizational arrangement which achieves long-standing competitive advantage for the company. Enterprise network is not only the relation network formed between enterprise and its business partners such as customers, distributors and suppliers, but also the network established, via its business partners, between enterprise and its suppliers' suppliers, customers' customers, competitors and other enterprises.
	Yoshino & Rangan, 1995	Strategic alliance satisfies the following three necessary and sufficient features simultaneously: the first one is that two or more companies join up to devote to the same series of targets, and keep their independence after the alliance; the second feature is that all cooperative companies cooperate to share earnings of alliance and control the performance of a given business; the third one is that cooperative companies make continuous contributions in one or more crucial strategic fields (such as technology and products).
	Gulati, 1998,1999	Enterprise network is a kind of resource arrangement where enterprises exchange, share and jointly develop products, technology as well as services. The arrangements take different motives and targets, presenting with different forms and having crossed horizontal and vertical boundaries of organizations.

These different definitions are the witness of scholars' increasingly deepening understanding. All these definitions or descriptions emphasize relatively stable and long-term relation formed among enterprises in the network. This relation features on complementarity, reciprocity and mutual benefit, as well as correlation and it is of great significance in obtaining management and competition advantage for enterprise(Powell et al.,1996).

Presently, researches identify the study of enterprise network mainly from dimensions such as the level and differences of network's connection nodes, analysis perspective of network and relation properties of network. Based on the level of network's connection nodes, researches on network can be divided into three levels: interpersonal networks, intrafirm or interunit networks, and interfirm networks. Interpersonal networks mainly study the influence of interrelationship among employees on their attitudes and job satisfaction. Employees' social relations, especially senior managers' social relation, are the focuses of interpersonal network researches. Intrafirm networks research how the interrelationship among different

functional departments of enterprise or different strategic business units of enterprise groups impacts the development of departments or business units, even the development of the whole enterprise. Its focus object is function department or business unit. Interfirm networks study how the interrelationship among different enterprises impacts every enterprise or the whole enterprise network. In these researches, enterprise is the research object and nodes of analysis (Brass et al., 2004; P, 2009).

Based on the distinctions of network's connection nodes, enterprise network can be composed of three different levels: interfirm first order network—the network formed between enterprise and its competitors, suppliers, and distributors; second order network between enterprises and non-enterprise organizations—the network formed between enterprises and government departments, industry associations, and management and technology consulting companies; third order network among non-enterprise organizations—the network formed among organizations or institutions in the second order network except enterprises.

Based on analysis perspective of enterprise network, after reviewing earlier literature, Provan and other scholars (2007) maintain that there are two forms of interorganizational network: whole network and ego-centric network. Whole network concerns about the overall running state of network and interaction among enterprises in this network. Ego-centric network focuses on the significance of network characteristics of every single enterprise in the network. And it studies how single enterprise establish its relation network and develop itself through managing this network. In ego-centric network researches, enterprise is the central focus (Peng, 2009).

Starting from relation properties, enterprise network can be classified into social network based on social interaction and commercial network based on commercial interaction (Lorenzen, 2005). Social network analyzes individual and society's exchange form under social background, while commercial network concerns enterprises' interchange relations in commercial activities.

Enterprise network's influence on enterprise internationalization

Currently, it is shown in a large number of documents that social network has significant influence on strategy and performance of an enterprise (such as the document of Burt, 1992; Nahapiet & Ghoshal, 1998; Podolny, 2005). Yiu and other researchers hold that home country network can be divided into business network ties and institutional network ties. Business network ties refer to formal or informal ties among all sides in business transactions such as ties between enterprise and its suppliers and buyers. Building business network ties in home country contributes to enterprise's overseas investment, especially for enterprises of emerging

economies, because enterprise forms vertical contact with cooperative partners (such as suppliers) from home country, it can follow them to develop overseas market in the same country. This kind of "Herding FDI" helps not only the whole business network's bargaining power in host country, but the legality of stabiling market in host country. Therefore, possessing network ties with commercial partners in home country will support enterprise's overseas investment. Guillén's (2002) research on Korean Chaebol's investment in China found that enterprises in the same business network can obtain precious information and experience from partners who have implemented international expansion to overcome the liability of foreignness.

Institutional network ties mean enterprise establish ties with various institutions in home country, such as government, agent, bank and financing institution, scientific research institution and business association. It provides crucial advantages for international expansion of enterprise of emerging economies. Under some emerging economies, enterprise's overseas investment is required to get approval from government. For example, in China, central and local government plays an important part in foreign direct investment, so institutional ties is very essential in China (Cai, 1999). In addition, home country's trade association and professional organization can supply intellectual support to enterprise of emerging economies to assist its overseas operation in host country. Meanwhile, due to the lack of credit record and liability of foreignness, it is hard for enterprise to acquire financial support in host country. Nevertheless, keeping pleasant contact with home country's financial system benefits enterprise to gain financial support for overseas operation (Yiu et al., 2007). Guler and Guillén (2010) did an empirical research on American venture capital enterprises, finding that home country network provides enterprise with two network advantages: social status and brokerage. Advantage of social status can be used as a symbol of enterprise's product quality and reputation, which helps to remedy disadvantages brought by lack of popularity and recognition in new markets. Brokerage means that enterprise possesses special positional advantage, only based on which can other enterprises get crucial information. Because of their different transferable degree, social status advantage promotes enterprise's overseas investment, while enterprise with brokerage position advantage does not mean to expand overseas. When one of the partners in home country network enters into overseas markets, social status advantage of key enterprise will lose its value as a signal of good quality. In contrast, enterprise with brokerage advantage will copy the overseas market entry behavior of partner in home country network to maintain its position advantage in network in social structure. Fletcher et al.(2011) directly investigated the effect of network capacity on

performance of overseas investment, which proved that network coordination and human capital have significant positive correlation with overseas investment while strong ties, confidence, network forming and sensitive resource integration have positive but non-significant correlation with it. In contrast, weak ties, relational capability, network learning and information sharing are negatively related to overseas investment performance. Zhou and Wu (2007) believe that social network based on home country will adjust the correlation between internal or external internationalization and performance of enterprise.

In recent years, it has been becoming popular to explore the influence of "relation" in China on enterprise's performance and internationalization. Peng & Luo(2000) consider managerial ties can be classified into two types: one is that enterprise senior managers tie to senior managers in other enterprises (such as suppliers, buyers and competitors); the other is ties between enterprise senior managers and government officials. These two kinds of ties can reduce transaction costs and ensure advantages, thus have a positive influence on enterprise performance. Based on a questionnaire to 110 senior managers, Qiao & Jin (2009) got some empirical findings that senior managers' personal relationship has some effects on enterprise's choice on internationalization strategies. In accordance with Qian et al.(2010) cross case-study, it turns out that enterprise's horizontal relationship and vertical relationship can impact enterprise's internationalization. Horizontal relationship here refers to relationship between enterprise and other enterprises while vertical relationship denotes relationship between enterprise and the government. The former gives enterprise some aid to acquire necessary resources in the internationalization process, while the latter does nothing helpful to enterprise's international expansion for consuming much energy of entrepreneur.

2.3.2 Review of embedding theory

Overview of network embeddedness

As we can see from above, network embeddedness is one of the core concepts in enterprise network theory. It describes the relation between enterprise and other members in the same network, as well as enterprise's position and status in the network. These properties decide all resources that can be used by the enterprise, and thus impact its behavior and performance (Xu Guannan, 2008).

Polanyi (1994) firstly put forward the idea of embeddedness, and introduced it into the research of economy. However, since neoclassic economics and classical sociology dominated the mainstream at that time, embeddedness raised by Polanyi didn't cause widespread

repercussion(Xu,2012). Until 1980s, when White(1981) proposed to find out key factors of understanding market problems from social relations, the idea of embeddedness began to be attached great importance by the theoretical circle. How does social relations affect human behavior is a classical problem of social theory. From the perspective of a sociologist, any economic behavior must consider embeddedness in social relationship structure. Both neoclassic economics' opinion of "under-socialization" and reform-oriented economists' "over-socialization" ignore the structure of socialization, so it is hard to analyze economic behavior. Granovetter(1985) holds that these two opinions should be compromised to concern the interaction between economic behavior and social relation structure. Later, Granovetter(1992) expressed that enterprise action was rooted in social network which may involve the nation, family, occupation, education background even region or race. This kind of network will have an effect on the targets or goals of enterprise action, and thus to decide the most appropriate and most reasonable strategic behavior.

Since network embeddedness was explained in detail by Granovetter, it has attracted wide attention from scholars in the field of economics, management, sociology and so on who then explored network embeddedness from different research perspectives. In the research of alliance and network, Gulati (1998) made a perfect generalization about research subject of network embeddedness, based on which, other summaries have been done by many domestic researchers such as Xu Guannan (2008), Zhang Wei (2009) and Xu Lei.

Overview of local embeddedness

Scholars put forward the concept of local embeddedness in the process of researching multinational companies. By taking the concept and theory of network embeddedness as a reference, they made an explanation to the relation between multinational company and its investment locations as well as the issue of efficiency. Local embeddedness refers to multinational company invests and founds sole proprietorship, joint venture or cooperative enterprise in host countries by direct investment, and nets, takes toot, and impact local economic development through establishing various formal and informal relations with local government, enterprises and other organizations(Li & Mo,2014). Later researchers came up with concepts of social embeddedness, institutional embeddedness and cultural embeddedness to describe the phenomenon where "economic behaviors" , as subjects, are influenced by some "objects" as "social relations, social structure, institutional environment and culture". And embeddedness mode here, taking social embeddedness as an example, is relational embeddedness and structural embeddedness comprised by confidence, reputation, collective sanction and exchange of information. For concepts of network embeddedness and local

embeddedness which take "enterprise" as subject, social embeddedness, institutional embeddedness and economic embeddedness are the "modes" of embeddedness. Bases on this logic, some scholars defined connotations and categories of "local embeddedness"(Ye,2006) as what in the following Figure 2.1.

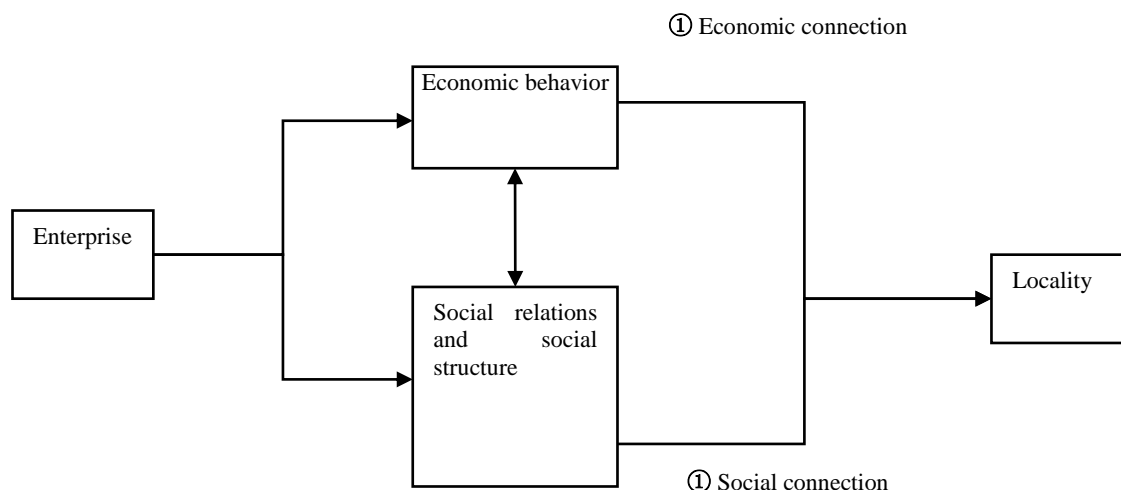


Figure 2- 1: Diagram of Local embeddedness

The subject of enterprise's local embeddedness is "enterprise" while the object is "locality", and embeddedness modes are economic connection and social connection. Enterprise's local embeddedness modes, as shown in ① of figure 2.1, indicates enterprise has economic and social interaction with locality. "Economic behavior" here means general business connections such as technology, markets, supply and funds, while "social relations" is taken as non-economic connections in a broad sense. The effect of social relations on economic behavior forms social embeddedness (as shown in ② of figure 2.1) which influence enterprise behavior and local development through social mechanism such as confidence, reputation and culture. Therefore, local embeddedness acts as the behavior and degree of diverse economic and social connections between enterprise and locality. And the ties based on various economic and social connections consist of substantial elements of local embeddedness.

From above arguments, it is obvious that in the research of enterprise's "local embeddedness" to a certain place, the object (locality) does contain the meaning of a particular place, but it does not mean that subject (multinational enterprise) must be located in the place which the object stands for. For example, multinational subsidiary's embedability to home country is shown as a kind of "cross-region" local embeddedness. From the aspect of economic connection relationship, it is presented that subsidiary still keep economic and

commercial contacts with home country (such as technology and knowledge transfer, supply and marketing relationship, and power influence); from the aspect of social connection relationship, it shows that organizational behavior of subsidiary still remains some marks of economy, society and culture of home country. In contrast, regarding to multinational subsidiary's local embedability to the host country, for subsidiaries formed through FDI, it is a kind of "co-located" local embeddedness. Seeing from the angle of economic connection relationship, this local embeddedness acts as economic and commercial contacts between subsidiary and local organizations (including local enterprises, other local organizations, and local agencies of some other cross-regional companies.) While from the angle of social connection relationship, it can be considered as subsidiary's response and integration to local society, institution and culture.

Following case studies in this dissertation concern the multinational subsidiaries' local embeddedness to investment locations, so the "subject" and "object" of embeddedness are co-located. Actually, only when multinational companies embed into locality through establishing local industrial network, can they be more helpful to promote the development of local economy and better "blend into" the locality. Therefore, multinational companies' integrating into local economic society in local external network is also an important reflection of their local embeddedness.

Connotations of local embeddedness

From analysis above, four connotations of local embeddedness can be summarized. The first one is "geographical connotation". Borderless network can cross territories and extend to any corner connected with nodes. However, local industrial network has certain geographical restrictions. Its nodes are local behavior subjects who attract each other for certain interests and gather together in a certain geographical area. Multinational company's localembeddedness is not equal to its localization¹. The best example is multinational company with "both the raw materials production location and the target sales market are outside the region". This kind of company may have a certain degree of localization, for example, it possesses development and research function and has a high degree of staff and

¹ Differences and similarities between localization and local embeddedness. Differences: they have some similarities in representation. For example, both local purchasing and local sales rate are important representation indexes. Similarities: localization describes foreign enterprise's behavior of adapting to locality from the perspective of enterprise. While local embeddedness, starting from relations between enterprise and locality, analyzes foreign enterprise's dependency to locality, which is the interactive and interdependent relationship between enterprise and locality. From the perspective of localization, local purchasing and local sales rate focuses on spatial distribution of purchasing and sales activities; while from the perspective of local embeddedness, they emphasize the behind connection relationship between enterprise and locality, including economic connection relationship and social connection relationship, as well as the effect of these relations on enterprise growth and local development.

management localization but with degree of local embeddedness. Local embeddedness describes multinational company's dependency to local economic and social system. It is a kind of interaction between enterprise and local external environment. Enterprise realizes local embeddedness only when it has some connection with external environment. Geographical connotation reflects the spatial distribution characteristics of embeddedness.

Local embeddedness not only emphasizes connection relationship with other local enterprises and organizations (geographical connotation), but includes localization of this relationship (social connotation). Here comes the second connotation—"social connotation"². We can explain this from the perspective of "cross-region" mentioned before. As mentioned above, "co-region" is not the necessary feature for local embeddedness. Even though geographic neighboring is not necessary and sufficient condition of tacit knowledge exchange, multinational corporation often builds factories in local as an access to knowledge and resources bank in host country, but which is possible to fail, because the circulation and diffusion of part of local knowledge (especially those tacit or local-dependent knowledge and information) is often realized through social and interpersonal network. However, geographic neighboring does help to form social and interpersonal network among members of local network, which is also a significant factor of increasing multinational company's "spillover effect" in local. Enterprises' noneconomic interdependency provides a channel to improve innovation and learning of local knowledge by means of informal arrangement. Foreign company establishes local relational tie through connecting with local enterprises and other related organizations, and thus build a system to communicate and cooperate with local ones. This, on the one hand, strengthens multinational enterprise's local embeddedness; on the other hand, creates more chances of learning and innovating technology and enhance regional competitiveness of the locality. For multinational company, the social connotations of local embeddedness can be analyzed into two aspects: one is the degree of embedding multinational company's economic connection with members of local network into social relations and structure; the other is the degree of multinational corporation's local industrial network members' localization, in other words, it is that to what extent does local network of multinational corporate be absorbed by local enterprises, which represents the openness of

²Differences between local embeddedness's "geographical connotation" and "social connotation" can be easily understood by taking an example from daily life as an analogy. Local embeddedness is analogous to a person moving to a new place where he wants to integrate into local life, and he needs to "do as the Romans do when in Rome". "When in Rome" means coming to the locality, and "do as the Romans do" is to adapt to local custom, make friends with local people and integrate into local life. Only when you integrate into local life, you can have better interaction with the locals, and then influence each other to realize real integration. Correspondently, "geographical connotation" of local embeddedness corresponds to "when in Rome", while "social connotation" corresponds to "do as the Romans do".

multinational company's local network in locality.

The third connotation is the feature of "learning". Suppose social connotation reflects mutual effects between economic connection and social connection under local embeddedness, connotation of "learning" is from the functionality of economic and social relations. "Learning" connotation means to express that economic and social relations not only possess transaction function, but pay more attention to multinationals and locality's function of mutual learning. Production system built by multinational company bears the potential of transferring to learning region, which lies in the building of local social capital such as trust between core plant and supplier. In other words, it can not transfer technical skills (especially special skills) via just simple procurement relationship or purchasing through market bidding and one-time purchase. There needs stable and long-term social relations as a medium to help communication of information and technical skills between up/downstream companies(Xu & Xie,2001). From multinationals' standpoint, usually their technology level is higher than local companies, but they still have much to be learned. On the one hand, local enterprise also masters some unique technology in some areas, especially technology responding to local market. On the other hand, multinationals companies are required to know local knowledge, namely, local market and consumption status, local industry chain, the way to coordinate with local government, and local staff management method. All these are things multinational company needs to learn from local enterprises to deal with the environment with higher uncertainty in developing countries. One of the important learning accesses is "relational capital", which is the trust relationship between multinational firm and local clients, suppliers, cooperative partners, governmental organizations and scientific institutions. With this relational capital, multinational company can gain local resources in an effective way and achieve a competitive advantage. From the perspective of development of the "locality", learning effect, which is constructed under diverse economic and social connection relationship with multinational enterprise, is of great meaning for local enterprise and the region to embed in global value chain and acquire upgrading development.

The fourth connotation is the feature of "interacting", which is proposed converse to previous "globalization" and "localization". "Globalization" as a concept appeared in 1960 or so with the "time-space compression" brought by the improvement of transportation and communication technology, which changed social and economic development course of previous complete organization of geographic scale (including nation, region and local place). And in this process, external global social economic organization will become the dominant force and compress existent social geographical unit(Harvey,1989). Correspondingly,

enterprise's "localization" focuses more on its own business activities, ignoring the interactive and interdependent relationship between enterprise and the locality. Distinct from above two opinions, local embeddedness contains: multinational enterprise does influence the locality, but at the same time, it receives reverse effects from local social institution. In the new global competition, the interaction between multinational companies and local economy, culture, and social conditions can be the more profound thing, and multinational capital has an interplay with "local conditions"(Dicken,1994).

Multinational companies and local embeddedness

So far, strength and structure of connection relationship between multinational and locality are studied by researchers in the field of international business management from the aspect of economy. And how they relate to enterprise organization management and behavior performance is studied as well. Andersson (2005) took 78 subsidiaries of Sweden's multinational companies who invest abroad as samples to do an empirical study of relationship between parent company and the subsidiary. This research classifies subsidiary's embeddedness into internal embeddedness and external embeddedness (external embeddedness is just the local embeddedness). It shows: the higher the external embeddedness is, the lower the control degree is possessed by parent company, and vice versa. Conversely, the higher the subsidiary's external embeddedness is, the more effects external organizations have to subsidiary's behavior; meanwhile, parent company's controlling to subsidiary also impacts subsidiary's behavior. These two competing forces together work on subsidiary's strategies. Andersson et al (2005) came up with the concept of technology embeddedment in the research on the influence of subsidiary's external environment on company's performance which is cut into organizational performance and market performance. The results proved that technology embeddedment affect market performance in a direct way but affect organizational performance in an indirect way. Later, Andersson and Forsgren(2004) further analyzed local embeddedment into business embeddedment and technology embeddedment. Their research focuses on external network embeddedness's (technology embeddedment) impact on subsidiary's roles as well as the change of multinational company's influence brought by its subsidiary. It demonstrates that subsidiary's external embeddedness has something to do with the possibility of its becoming a big fish. What's more, it is one of the prerequisites for subsidiary to influence its parent company.

Based on relative research achievements of some locality studies and views of network, a few later scholars began to place their interest in enterprise's various trade dependency and nontrade dependency to the locality, and try to investigate them in different special scale.

Höchtberger et al.(2003)research found that not only subsidiary's local embeddedness, but its connection with global external network as well as multinational company's internal network, has some impacts on its competitiveness. Whitel (2003) did some researches on "typical cases" of multinational firms which belong to software industry cluster in Ireland. He found that if subsidiaries keep wider and closer contact with the locality, it grows better in that place. Moreover, from the feature of connection relationship between subsidiary and the locality, it is observed in his paper that in some industries, there is interdependency relationship between foreign company and domestic-funded enterprise, but as time goes on, this interdependency will turn into cooperative partner relationship. Trust is an indispensable factor in the evolution of multinationals' local connection relationship.

Dicken(1998) studied how host country's social and economic system change or transform multinational enterprise's branch. The manufacturer, even with the production system of vertical integration, have to make adjustment and try to keep in line with market requirements or the feature of labor market in host country, and to form a hybrid network system. With this, it can make effective management and even innovate according to local market. In contrast to global economic network, multinational company's internal network is just like what Markell (2011) described as "network in network". Moreover, Schoenberger (1999) also pointed out in his research that some well-known multinational enterprises like IBM, DEC and GM where multi-level governance is advocated, all devote to global production layout. In order to timely response to the demands of market in host country, they gradually foster their branches which originally just play a role in following orders from mother manufacture to proceed sales and producing into foregoers who grope information and conduct local research and development. What's more, about industrial culture, these branches are allowed to adjust and absorb local industrial practice pattern, and they are given high degree of autonomy to sufficiently connect their own economic behaviors to local social and economic conditions. To some extent, they even transform their mother manufactures' management pattern.

To sum up, this dissertation believes that local embeddedness is a win-win strategy for multinational enterprises. For them, only rooted in economy and society of host countries and build deep benign interaction with host countries in economy, technology, society and institutions and so on, can they smoothly enter local product market and obtain local dominant resources, and thus improve their international competitive ability. From this perspective, local embeddedness will facilitate latecomer enterprises' overcoming the predicament of "post-springboard". On the other hand, the degree and scope of local

embeddedness have different effects on employment, talent cultivation, technology and management of host country. Therefore, in order to continuously enjoy investment effect, governments of countries in different development stages will try every means to retain multinational enterprises after successful introduction of foreign capital.

Perspective of EMFs and springboard

Luo and Tung (2007) consider that emerging market multinational enterprise takes international expansion as "springboard" systematically and recurrently to obtain key resources to strengthen their global competitiveness and, at the same time, to avoid institution defects and market constraints of home country. Generally speaking, this gradual behavior of springboard is distinct from behavior of "leapfrog". Behavior of "springboard" manifests as several kinds of behaviors or activities.

Firstly, emerging market multinational enterprises take international expansion as springboard to remedy their own competitive disadvantages. When they invest in developed countries, they acquire advanced and specific technology and know-how mainly by way of purchasing foreign firms or their subsidiary corporations. There are obvious differences between emerging market multinational firms and developed market ones. The latter is used to leveraging and using their particularly possessed competitive advantages of ownership (Dunning,1981; Lecraw,1983). In general, emerging market multinational firms all desire for technology and brands by internationalizing to fill in gaps in resources. Due to demands in capital or restructuring, foreign firms are willing to sell or share their technology, know-how or brand, which exactly meets the resources requirements of emerging market multinational firms (Child & Rodrigues,2005).

Secondly, emerging market multinational enterprises take international expansion as springboard to overcome their disadvantage of backwardness. Trough some path dependence and positive actions, namely, developed market's merging and strategic assets seeking, behavior of springboard can relieve emerging market multinational firms' unfavorable position as latecomers or newcomers in customers, brand recognition, technology leadership and so on. Unlike former gradual and path-dependent internationalization mode of newly industrialized economies multinational firms in the last few decades (Han & Brewer, 1987; Li, 1994; Yeung, 1994), whose firms' OFDI mostly because of some "pushing" factors, such as currency appreciation, account surplus, growing labor shortage, increasing of operating costs, and small and saturated domestic market (Wells, 1983; Kumar & Kim, 1984; Deng, 2004), emerging market multinational enterprises invest abroad mainly caused by "pulling" factors, for example, the desire for key resources, advanced technology, managerial experience, and

customers from key overseas market, because gaining of these resources will be conducive to overcoming their disadvantage of backwardness.

Thirdly, emerging market multinational enterprises take international expansion as springboard to fight back against global competitors in home markets. For most emerging market multinational firms, home markets are still their main "battlefields". However, these local markets have been infiltrated, even dominated by multinational firms from developed countries and newly industrialized economies. In order to develop into real global multinational firms, some big emerging market multinationals have realized that they must directly serve key overseas markets and win customers there, such as in Europe, America, and Japan. Consequently, there appears some adventures, for instance, mergers and acquisitions, and Greenfield Investment, which partly mean to enter their global competitor' local market to gain market share and competition footing.

Fourthly, emerging market multinational enterprises take international expansion as springboard to bypass strict trade barriers such as quota restrictions, antidumping penalties and specific penalty tariff. It is not the only motive for them, but for many emerging market multinational enterprises, especially those produce technical standards products, they depend more on global export market than their competitors and they are more possible to sell their products to foreign consumers via export merchants and distributors. This renders emerging market multinational firms avoid unsatisfying delivery or insufficient communication to foreign customers or end-users while taking use of their huge production capacity at the same time. To avoid export barriers, emerging market multinational firms can directly invest in destination country, or firstly invest in the third country, taking which as the springboard to enter targeted high-end markets.

Fifthly, emerging market multinational enterprises take international expansion as springboard to decrease domestic institutional constraints. Interdisciplinary system and political risks can weaken local firms' competitiveness, and thus force them to "going out". Regardless how strong the firms' skill is to deal with this kind of local constraints, their costs are expensive all the time. By choosing business environment with more efficient and transparent institutions but without those constraints and risks, emerging market multinational enterprises are able to avoid all unfavorable factors mentioned above, and thus concentrate on establishing, developing and improving their competitive advantages in global market.

Sixthly, emerging market multinational enterprises take international expansion as springboard to guarantee preferential clauses from emerging market governments. They do this mainly by means of upstream investment. Emerging market multinational firms first

invest in abroad and set up subsidiary there by upstream investment. As a foreign entity, this subsidiary's investment in home country will be provided with financial privilege and non-financial privileges by emerging market governments. Despite seeking incomes from upstream investment is not the primary goal of these companies' international expansion, investments abroad is still a convenient measure to enjoy these preferential policies. Since absorbing foreign capital will be an long time important policy for emerging market governments, these financial and non-financial privileges will continue to exist. And with these privileges, emerging market multinational enterprises are likely to actively use international expansion as springboard to accept domestic preferential treatment.

Finally, emerging market multinational enterprises take international expansion as springboard to take use of their competitive advantage in other emerging and developing markets. Lots of emerging market multinational firms are the bellwethers of their industries in their own countries. They have gained professional knowledge of large-scale production from international experience acquired in OEM and local multinational alliance. These firms are really in a bad situation in terms of original technology and innovation, but with mature applied technology, advanced mechanical equipment, updated tools and advanced material and parts in global open market, as well as their convenience in purchasing required technology and specialized knowledge, by combining this availability, large-scale production ability and experience together, emerging market multinational firms can manufacture technically standardized products which is enormously demanded by other emerging and developing market. Their positioning of low costs makes these latecomers' low prices attract much interest of customers, and thus boost their own market share.

Accordingly, motivations behind "springboard" behavior of emerging market multinational enterprises can be summarized as (1) capital seeking, (2) opportunity seeking. Despite these two motivations can be applied to all multinational firms, there are something unique for emerging market multinational firms in capital seeking and opportunity seeking. Emerging market multinational firms attempt to seek capitals including technology, knowledge, R&D facilities, human capital, brand, customers, distribution channel, managerial experience, natural resources, etc., because these capitals are indispensable to meet the following two needs: (1) satisfy economic and social needs of their own country; (2) remedy competitive disadvantage of the firm. By some radical method, for instance, purchase an old brand company, emerging market multinational firms can acquire all innovations on products and technics. After this, they can use their acquired advanced technology to improve their manufacture level at home and develop new products for global market (Deng, 2004).

To complete the task of opportunity seeking, emerging market multinational firms commit themselves to: 1. getting access to niche market in the developed markets to enhance their advantages; 2. acquiring the support of financial and non-financial preferential clauses provided by host countries and/or home countries; 3. expanding the scale and reputation of the whole company; 4. Avoiding local institutional or market constraints; 5. bypassing trade barriers and entering developed markets; 6. leveraging their cost advantage in manufacturing and using it in other developing countries; 7. exploring irrelevant to opportunity but potential fields in high-income countries.

In conclusion, emerging market multinational enterprises take international expansion as springboard to gain necessary strategic resources and avoid constraints in home country, proceeding international expansion under the motivation of capital seeking and/or opportunity seeking. This dissertation agrees with Luo and Tang (2007) to divide strategic motives of EMFs into capital seeking and opportunity seeking, for this classification is more comprehensive and more elaborate than above mentioned strategic intents of capital seeking and capital utilizing. Considering capital seeking from the perspective of opportunity, it refers more to seeking market opportunity (Makino et al., 2002). Although market seeking is the main target of enterprise, it can not cover all opportunities meet by enterprise in the course of internationalization, so this dissertation takes opportunity seeking to replace capital utilizing.

Chapter 3: Research Design

3.1 Research strategy

The main research questions of the thesis are evolution rules of EMFs motives and discussion of the action mechanism. Under the "bidirectional dependency" background of technology and market, EMFs achieve the strategic target of survival and development by "spring-board" behaviors. However, the existing Uppsala internationalization process model cannot explain this phenomenon well. Luo & Tung use the "Spring-board" Theory to explain the internationalization motive of EMFs. However, the action mechanism and the influence mechanism for the behaviors are not completely analyzed in this theory. For this problem, detailed thinking and discussion are carried out in several academic exchange activities, and it is found in the research that relation network and external links are typical behavior characteristics for EMFs. And many existing related literatures also provide evidence that the model of internationalization process based on relation network and external links is of strong explanatory power. For example, Zhou(2007) proved the positive influence of the relation network to the business performance of enterprises in the internationalization research of small and medium-sized enterprises, and Mathews (2006) found the external links of internationalization process and put forward the LLL model in research. In this thesis, it considers that different enterprises have different motives in the internationalization process, and there are certainly some action mechanisms or rules. At the same time, a dimension is added that whether the internationalization process depends on the external relation network to achieve the purpose of further exploration and explanation of the current phenomenon. Therefore, based on related literatures such as Spring-board Theory, Network Embeddedness Theory and LLL model, the thesis mainly discusses the evolution process of motives and dependable forces and finds out the mechanisms by research on internationalization process of four Chinese enterprise cases.

The thesis mainly focuses on the following three aspects: 1. First, research the general rules of the two dimensions: strategic motives and dependable forces of Chinese enterprises. Based on the "Spring-board" Theory and Uppsala network model, the thesis discusses reasons to drive the international expansion of Chinese enterprises, and summarize the general rules

of the evolutionary relationship between motives and relational dependence of Chinese enterprises by staged research. 2. Second, explore the evolution mechanism of international strategic motives and dependable forces deeply. According to the above mentioned general internationalization rules and based on the LLL model, the thesis uncovers the external linked resources of EMFs and process and mechanism generating the leverage effect from the perspective of resource dependence. 3. Finally, based on the results, discover the essence of internationalization process of Chinese enterprises. The ultimate goal for the thesis is to explain how Chinese enterprises to make up their late-developing disadvantages by linking and acquiring external resources and achieve international expansion in the internationalization process by uncovering the general rules and action mechanism.

At the same time of research on the above problems, it considers in the thesis that the qualitative research complies with the general internationalization rules of Chinese enterprises and can be used to explain the rules. In addition, there are internationalization data of multi cases collected in the thesis. Yin(1994) indicated that multiple study can use duplicated logic and regard the cases as a series of experiments. Each case can be used to verify or disconfirm inferences from other cases. The Multiple method is adopted in the thesis for analysis, which is helpful to deepen our understanding of event development rules. While event path analysis is helpful to show the event evolution process and development rules of cases in the thesis, so as to help us discover the principles from typical cases to achieve our research purposes.

3.2 Overview of research methods

3.2.1 Qualitative research method

The qualitative research forms an overall profound understanding for substances by long-term deep experience, investigation and analysis in the interaction between researchers and research objects. And the researchers using the qualitative research method put themselves and the research objects under the same conditions, study, experience and contact with the objects. The process for researchers to get integrated into the objects is a long-term process to make a painstaking investigation(Tian et al.,2015). When research questions focus on development theories (especially theories on process), inductive and qualitative researches will especially apply(Strauss & Corbin,1990; Creswell,1998). The qualitative research method is adopted in the thesis in extraction of phenomenon process, factors of situations and mechanisms of internationalization behaviors, and it is also used in continuous development

and refining process of propositional concept frameworks.

3.2.2 Multiple case study

Multiple study: Results from the multiple study are more persuasive than those of single cases, so that the whole research will stand the deliberation (Herriott, 1983). And each selected case serves for a certain purpose and complies with replication logic (Eisenhardt, 1989). In multiple study, each case must be chosen carefully. The selection standard is either to generate the same results or to generate different results from the previous study due to predictable reasons (Yang et al.,2010). The thesis tries to conclude and extract the common rules from single cases. So the principle of literal replication is implemented in the selection of cases. Since the purpose of case study is to conclude theories, instead of finding out the statistical rules of large-scale samples, the sampling rules and principles are unnecessary to comply in the selection of samples for case study. Cases with sufficient particularity and typicality will be up to the standards (Eisenhardt, 1989). In general, requirements for samples in case study are: from the aspect of sample properties, the selected samples are required to be corresponding to the height of subjects to be researched; from the aspect of quantity, the key point is not the quantity of research samples, but the depth and typicality of samples(Li et al.,2008) .

The significance of case study is to make contribution to the theoretical innovation from phenomena and it is helpful to develop the available theories (Yin,2003). It complies with the purpose of the thesis. The multiple study (Eisenhardt, 1989) and longitudinal multiple study (Santos & Eisenhardt,2009) methods are adopted in this thesis, so as to extract the situational factors and put forward topics affecting mechanisms and theoretical models of development.

3.2.3 Longitudinal event path analysis

The event-study analysis is an empirical analysis method. It was first used in financial field. It is used to analyze the impacts of a specific event on the corporate value with the help of data of financial market.

The event-study analysis is widely used. Scholars from different fields elaborate this analysis method from their fields. Duan(2004) thinks that the "event study" is a quantitative analysis method to measure the impact of an event using specific technologies according to data statistics before and after the event. There are various events happening in financial market, such as information, policies and products. The influential effects of these events will

be reflected by asset price soon. Thus, the "event-study analysis" is an empirical analysis method widely used in researches on financial market. He Haijiang thinks that under a market environment full of rational investors, impacts of a specific event on economy may be immediately reflected by asset price changes. Therefore, the event-study analysis refers to a method to study the impact of a certain event on economy by observable asset price changes in short term. Wang & Liu(2009)think that the event-study analysis is mainly to analyze whether an event impacts the time series and the effectiveness of this analysis method is based on that: on the premise of a rational market, the impact of an event (such as implementation of new tax refund policy for export) will be immediately reflected by related index changes in market, so related short-term index changes in market may be used to analyze and measure the impacts of the event. In general, the key of the event-study analysis is to discuss the influencing effects of an event concerned in a certain period. And different handling methods are used in different fields.

The long-term Yearbook, Chronicle of Events, etc. which can reflect the internationalization process can be obtained from the key enterprises concerned in the thesis. These enterprises keep large amount of records of real events happened in their internationalization process. In this thesis, it thinks that the text records of these "events" are not only representation of important nodes for enterprises in the international road exploration process, but also the "window" reflecting evolution of behavioural process under specific circumstances. For internationalization process of EMFs, there is obvious morphological difference and no absolute standard of division, for example, dividing the internationalization of TCL into three stages. We will form the standards of stage division based on data features of events of enterprises.

3.2.4 Process analysis

Process analysis is a research method observing the event changes and analyzing the changing process, so as to put forward more research methods for theoretical perspectives. Based on the data acquired, it compares the event sequence repeatedly according to certain rules and establishes the dependence relationship for event sequence (Van De Ven et al.,2000). Based on the longitudinal study of data acquired, the process analysis is adopted to dispose the disorganized data, thus the process analysis is a rich and interesting method to describe stories (April L Wright & Zammuto,2013).

By process analysis of the case enterprises, the thesis will show the rules and evolution

relationship of events along with the event changes. It will output the disorganized information by narration and help to show the evolution process and development rules of internationalization motives and dependable forces during different stages of case enterprises in the thesis. In process analysis, attention to impact of process data features on analysis process needs to be paid.

3.3 Selection of case

3.3.1 Selection criteria

The purpose of the thesis is to discover the unique motives, behaviors and action mechanisms of internationalization strategy in the internationalization process of Chinese enterprises. For case selection, enterprises with trade representativeness shall be selected, at the same time, the availability and accuracy of data must be guaranteed. Enterprises to be selected must meet the following requirements:

- (1) Independent enterprises with more than 10 years of international expansion process;
- (2) Enterprises with products (services) and brands under self management and top rank domestically in market share of their main products;
- (3) The industry is in non-monopoly state;
- (4) Enterprises with large amount of available public data.

The above standard (1) is to guarantee that the selected enterprises have experienced relatively long-term internationalization stage, and the enterprises have independent management ability, so as to exclude the impact of large financial groups on development of enterprises and interference to validity of data collected in this thesis due to short business time. The standard (2) is mainly to guarantee that the selected cases are industry leaders with certain influence and representativeness. The standard (3) is mainly to exclude the interference to business strategies of enterprises due to monopoly and guarantee the selected enterprises fully participate in the market competition. The standard (4) is mainly to collect and acquire more materials of data. In this research, the research method based on longitudinal event path analysis and multiple study is adopted, and strict requirements for research data are raised. Selection of listed enterprises with large amount of public data can help to acquire more objective data, so as to facilitate intensive exploration and research.

3.3.2 Selection process

After the above selection standards are determined, we begin to search research objects from a large number of famous Chinese multinationals.

First, the number of cases is to be determined. Yin and Eisenhardt suggest the number to be 4~10. The main objective for this thesis is to study the special behaviors of international expansion for Chinese enterprises and find out the general rules. Eisenhardt (1989) also thinks that the purpose for case study is not to calculate the frequency, so it is unnecessary for samples of case study to follow the sampling rules, provided that the cases have sufficient particularity and typicality. Therefore, research based on the four cases will meet the demand for extraction of general rules and establishment of theoretical model in this thesis.

Second, the cases are to be determined. Through preliminary data collection and processing, the cases are determined to be Great Wall, Lenovo Group, Huawei and Haier at first. And alternative cases are TCL, Konka, Geely, CIMC, Wanxiang Group, etc. All of them are typical representatives of domestic multinationals. Data related to the international expansion of the above enterprises were planned to be obtained from various approaches such as their websites, the news media and books. And then data was coded for extraction of effective research data. However, some problems were found in subsequent data evaluation. The main business of Great Wall is OEM, which does not meet the feature requirements of the research case. Thus, the Great Wall was replaced by TCL, which has brand influence on the industry; and during data collection of Lenovo, it was found that information is incomplete, causing difficulties for data collection and inaccuracy of data. Therefore, in order to facilitate the data collection, it was decided through discussion to replace Lenovo with Zhejiang Geely Holding Group Co., Ltd. (hereinafter referred to as Geely). Finally, the target cases for this thesis are determined to be TCL, Geely, Huawei and Haier.

3.3.3 Introduction of cases³

TCL

TCL Corporation Co., Ltd. is a super state holding enterprise which is integrated with technology, industry and trade, and specializes in household appliances, information, communication, research & development, production and sell of electrical products. TCL Corporation (SZ.000100) is listed as a whole in Shenzhen Stock Exchange, which owns four listed companies: TCL Multimedia Technology (01070. HK), TCL Communication

³ The data of the enterprises' introduction are all cited from the TCL ,Haier,Huawei, Geelywebsite.

Technology (02618. HK), TCL Display Technology (00334.HK) and Tonly Electronics (01249. HK). TCL was founded in 1981. It was previously one of the first 13 joint venture enterprises in China - TTK Home Appliance (Huizhou) Co., Ltd. It has developed from tape production, gradually expanding its business to telephone, television, mobile phone, refrigerators, washing machines, air conditioners, small appliances, LCD panel and other fields. After 20 years of development, TCL now has established four product lines of appliances, communication, information and electrical products represented by TCL TV. And TCL has begun to implement the strategy of promoting enterprise growth by developing the audio video products represented by TCL TV and mobile communication terminal products represented by mobiles.

Now, TCL has 75,000 employees, 23 research and development institutions, and 21 manufacture bases, and has established sales organizations in more than 80 countries and regions, with business throughout more than 160 countries and regions worldwide. In 2014, TCL has created a new historical record for its revenue and profit and achieved operation revenue of RMB 101.029 billion (overseas revenue taking up 47% of the total revenue), net profit of RMB 4.233 billion and total ratual of RMB 5.96 billion. In 2014, the global sales of TCL LCD TV ranked 4 worldwide, for mobiles, ranked 5 worldwide; for LCD panel, ranked 5 worldwide; for air conditioner, ranked 5 domestically; for washing machines, ranked 6 domestically; and for refrigerator, ranked 10 domestically. For the year of 2014, TCL has achieved a brand value of RMB 66.859 billion, ranking 6 in domestic top 100 brands, and continuing to be the first brand in domestic TV industry for 9th consecutive year. Last year, TCL has achieved revenue of RMB 101.029 billion, among which 47% is overseas revenue. And internationalization brings TCL rapid development opportunity and enormous economic benefit. (The data are quoted from the TCL website)

Haier

Haier Group is a world leading appliance solution provider and virtual-real distributor. Since its establishment in 1984, Haier Group has expanded its business from the single production of refrigerators to areas such as household appliance, communication, IT digital products, home furnishing, logistics, finance, real estate and bio-pharmaceutical, becoming a world leading life solution provider. In 2014, Haier achieved a global turnover of RMB 200.7 billion, a total profit of RMB 15 billion. Its profit growth was 3 times the number of income, and the online trade volume reached RMB 54.8 billion, a year-on-year growth of 2391%. According to the statistics of Euromonitor, an authoritative consumer market survey organ, Haier brand accounted for 10.2% of the global retail volume, becoming the top large

household appliance brand in the world for the 6th consecutive year. Committed to building a local brand popular among global consumers, Haier has long been practicing an overseas market strategy of localized research and development, production and marketing, and great results have been achieved. Up to now, Haier has 5 research and development centers, 21 industrial parks, 66 trading companies and users across 100 countries and regions. Haier insists on using the innovation system focusing on user demand to achieve the sustainable and healthy development of the group. It is one of the largest appliance manufacturers worldwide. In 2014, Haier achieved a global turnover of RMB 200.7 billion, a year-on-year growth of 11%. On January 27, 2015, the results of "BrandZ Top 100 Most Valuable Global Brands" were announced, and Haier was the first place of household appliance industry. (The data are quoted from the Haier website)

Huawei

Founded in Shenzhen in 1987, Huawei is a private communication technology corporation specializing in production and sales of communication devices. It is headquartered in Huawei Base in Bantian Subdistrict, Longgang District, Shenzhen City, Guangdong Province, and mainly products and sells communication devices. The products of Huawei include communication networks (such as switched network, transport network, fixed wireless/wired access network and data communication network) and wireless terminal products. Huawei has been committed to provide hardware equipment, software, services and solutions for communication operators and professional network owners around the world. Huawei insists on focusing strategy, and continuously invests to research and development of fields such as fundamental telecommunication network, cloud data center and smart terminal, strives to be forefront of the industry by creation driven by customer demand and advanced technologies, and leads the development of the industry. Huawei has strong research and development ability, with 16 research institutions established around the world and 36,511 licensing patents received accumulatively.

Huawei has positively devoted to economic competition and cooperation of internationalization, and gradually developed to a global company with business over 170 countries and regions. In 2007, Huawei achieved an amount of contract sales of \$16 billion, including \$11.5 billion of overseas sales, and ranked the first of profit and tax payment in domestic electron industry that very year. Up to the end of 2008, Huawei dominated more than 100 countries and regions in international market. Among the top 50 telecom operators worldwide, 45 telecom operators use the products and services provided by Huawei. The products and solutions provided by Huawei have been applied in more than 170 countries,

and for 45 of the top 50 telecom operators worldwide and 1/3 populations around the world. In 2014, among the world's top 500 issued by the World Wealth Report, Huawei ranked 285, moving up 30 places compared to that of the last year. For the business performance, data showed that in the first half year of 2014, Huawei achieved sales revenue of RMB 135.8 billion, a year-on-year growth of 19%, and the operating profit ratio was 18.3%. On October 9, 2014, in the ranking of "Best Global Brand" issued by Interbrand in New York, Huawei ranked 94, which was the first corporation in Chinese Mainland ranking in the Interbrand top 100. In 2015, Huawei was evaluated as the Outstanding Company of the Year in the Sina Technology 2014 Annual Billboard. (The data are quoted from the Huawei website)

Geely

Zhejiang Geely Holding Group Co., Ltd. (Geely Automobile) is the only one private car production and management enterprise among the top 10 enterprises in domestic auto industry. Founded in 1986, with 20 years of construction and development, it has achieved outstanding performance in automobile, motorcycle, automobile engine, speed changer, automotive Electronics and auto parts. Especially since Geely entered the car field in 1997, it obtained fast development with flexible operational mechanism and continuous self-dependent innovation and achieved a total asset of RMB 10.5 billion. It was ranked in top 500 domestic companies for 4th consecutive year, and was evaluated as "a company with fastest speed of development and growth in domestic auto industry in recent 50 years" and ranked in top 10 companies in domestic auto industry. On December 23, 2009, it acquired 100% stock of Volvo Cars.

In 2012, the world's top 500 companies were issued in the World Wealth Report. Among the five domestic private enterprises ranked in the list, Geely become one of them for the first time. Geely become one of the world's top 500 companies for its operation revenue of \$23.3557 billion (including revenue of Volvo in 2011) for the first time, and ranked 31 among automobile enterprises; its total place was moved up to 475 from 688 compared to that of the last year. Up to 2013, Geely had 9 production bases in Cixi, Linhai, Ningbo, Shanghai, Xiangtan, Jinan, Chengdu, etc. with a total capacity of 600, 000. Geely has established complete marketing network domestically with nearly 1000 4S brand stores and almost 1000 service network stations; it has established about 200 overseas sales service networks and invested tens of millions (RMB) to build top-ranking domestic call centers to provide users with 24h quick service. Up to the end of 2013, Geely has a total number of more than 3 million for retaining automobiles. Currently, Geely has total assets of more than RMB 110 billion and listed in world's top 500 companies for 3 consecutive years, in domestic top 500

companies for 11 consecutive years, and in domestic top 10 companies for 9 consecutive years. It was evaluated as the domestic "innovative enterprise" and the "national whole-vehicle export base enterprise". (The data are quoted from the Geely website)

The data of these four cases are relatively complete data and typical for these four companies are domestic magnates in their industries. The secondary data are mainly obtained from news media, official website, books, etc. and event information can be obtained from various routes. Thus the accuracy of data can be mutually verified.

Table 3- 1: Basic Information of TCL, Haier, Huawei and Geely

Name	Year of Setup	Industry Involved	Main Business	Ranking	Main Leader
TCL Corporation Co., Ltd.	1981	Smart product manufacturing and Internet application service	TCL televisions	Ranking first in domestic color television industry for 9 consecutive years	Chairman & CEO: Li Dongsheng
Haier Group Co., Ltd.	1984	Household appliances, communication, IT digital products	White household appliances	The world's largest white household appliances group	CEO: Zhang Ruimin
Huawei Technologies Co., Ltd.	1987	Communication, electronic equipment, information and communications solutions provider	Telecommunication network equipment, solutions and intelligent terminal	Ranking first in communications industry, the first Chinese enterprise ranking in the Interbrand top 100	CEO: Ren Zhengfei
Zhejiang Geely Holding Group Co., Ltd.	1986	Automobile industry	Automobile industry	The only one private car production and management enterprise among the top 10 enterprises in domestic auto industry	Chairman: Li Shufu

3.4 Data collection

3.4.1 Data source

The research data in this thesis are mainly secondary data, and critical historical events of the selected cases are collected from various approaches. Any truth describing events in case study can be deemed as data resources, and the main data resources in this thesis are: (1) enterprise yearbook, chronicle of events, etc. (2) historical news in the official website of an enterprise; (3) authoritative reports of media of development sector; (4) annual report a listed

company; (5) books, interview, or text relating to enterprise leaders, and statement of main leaders in some meetings; and (6) available industry data relating to the enterprise.

Table 3- 2: Collection and Processing of Data

Case	Introduction	Source	Example
TCL	1. Important historical events of TCL 2. Industry data related to TCL	Chronicle of events, annual report a listed company, news in the official website, reports from media of development sector, speeches and statements of enterprise leaders	TCL acquired the foreign investment of Dong Nai electronics corporation in Vietnam, bypassed the current policy constraints and entered the Vietnam market
Huawei	1. Important historical events of Huawei 2. Industry data related to Huawei	Chronicle of events, annual report a listed company, news in the official website, reports from media of development sector, speeches and statements of enterprise leaders	In 2002, Huawei formally registered the Huawei Turkey in Ankara, Turkey.
Geely	1. Important historical events of Geely 2. Industry data related to Geely	Chronicle of events, annual report a listed company, news in the official website, reports from media of development sector, speeches and statements of enterprise leaders	On May 30, 2005, Geely signed a contract with and IGC Group (Malaysia) on vehicle program and CKD program. Wu Bangguo, as chairman of the NPC Standing Committee (China), and Tan Sri RAMLI Ngah Talib, as the president of lower chamber of federal parliament (Malaysia) attended the signing ceremony.
Haier	1. Important historical events of Haier 2. Industry data related to Haier	Chronicle of events, annual report a listed company, news in the official website, reports from media of development sector, speeches and statements of enterprise leaders	In 2000, Haier and Hachicha Group (Tunisia) established the joint-ventured HHW in Tunisia.

3.4.2 Data collection process

Based on data collection, the qualitative research method is adopted in this thesis to obtain new data by theoretical sampling and continuous comparison. It is a process to comply with the "theory-data-modification of theory-adding of required data-completion of theory",

and to achieve the satisfaction with the theories through the communication between theory and data. "When to achieve the satisfaction... (until the problems) solved practically"(Suddaby,2006). Meanwhile, on data collection, the principle of methodological triangulation is followed in this thesis. According to various data resources, data are reasoned repeatedly and demonstrated, so that the accuracy of data is guaranteed. During data collection, special attention is paid to the establishment of database. Contents and data information of each time of discussion are backed, disposed and stored for subsequent verification and case study.

Part of the data collection in this thesis lasted 11 months from September, 2014 to August, 2015. First, based on determination of enterprise cases, (1) Search the events from official websites and news centers on the official websites of enterprises. The official websites and news centers of the selected enterprises in this thesis contain important event information and business dynamics in recent 10 years, thus important events can be extracted from the activities of enterprises; (2) Obtain historical events of these enterprises from their official websites or authoritative websites, i.e. chronicle of events. During data collection, different versions of the data are found in research due to various data resources. But effective data are obtained finally through extraction and verification; (3) Speeches and statements of leaders of these enterprises are also valuable data materials, in which part of the real motives of the business activities and practical significances are concealed. Analysis of a certain business activity according to the standpoints of the leaders will get considerable evaluation. Meanwhile, they are of significant importance for us to deeply understand the enterprise motives and behaviors. Therefore, activity information of leaders of case enterprises is collected (including statements, speeches in forums and media interviews); (4) Since the selected cases are listed companies, annual reports in each year of these enterprises are available. From these reports we can obtain some acquisition and merger information and financial information of the enterprises. Because the annual reports are complete (public data of each year are available), the business dynamics obtained from the annual reports are of high accuracy, and these data can be used as real background of these enterprises, helping to deeply analyze the mechanisms of motives and behaviors of enterprises in research. (5) Some information data of business activities are collected in this thesis from authoritative media reports and mainly used to compare to the previous data. The accuracy of the data is verified from various aspects, so that this research is of high reliability.

During data collection, the case samples in research, methods to be adopted, data processing and extraction of final research results could not be completed without the team

support. During the research, valuable suggestions were put forward by them. During the research, in-depth discussions have been carried out between the author of the thesis and members of the same project. Discussions are mainly about features of international expansion of emerging market enterprises, targeting of case materials, selection of research direction, methods to obtain materials, data processing methods, etc. In later period, discussions about results and theoretical inspirations were also carried out. The research data collection and discussion processes in this thesis are shown as follows:

Table 3- 3: Data Collection Process

Data Collection Process	
Category	Research Activity and Data Collection
Academic communication and discussion (generation, modification and formation processes of theories)	2014.09.01 Discussion about features of international expansion of the emerging market 2015.10.22 Targeting of case materials and selection of main research direction 2015.11.28 Summary of spring-board logic of EMMNE and discussion about topics 2015.12.30 Extraction of related news materials 2015.01.15 Determination of theoretical model and cases 2015.02.10 Coding of data and building of standard model 2015.03.12 Discussion about causes and effects of spring-board behaviors and formation of thesis structure 2015.03.26 Case data processing and new thought 2015.03.30 Definition standard and basis of the two dimensions 2015.04.07 Discussion about evolution relation between the two strategic motives 2015.04.12 Discussion about stage division and standard of division 2015.05.13 Discussion about dimension division and judgment standard 2015.06.20 Discussion about overall structure and main results of the thesis 2015.08.18 Discussion about theoretical inspirations of the thesis
Chronicle of events, annual reports and related case materials (case materials are formed)	Events from TCL/Huawei/Geely/Haier News from the official websites of TCL/Huawei/Geely/Haier Annual reports of TCL/Huawei/Geely/Haier Speeches and statements of leaders of TCL/Huawei/Geely/Haier
Material acquisition from media and the industry	Internationalization of Chinese enterprises Materials of exclusive interview for enterprise leaders Books such as <i>Huawei</i>

Initial data for this research were collected through the above processes. There are data of totally 560 events for the four cases as follows:

Table 3- 4: Quantity of events

Name	Quantity of events
TCL Corporation Co., Ltd.	115

Haier Group Co., Ltd.	155
Huawei Technologies Co., Ltd.	166
Zhejiang Geely Holding Group Co., Ltd.	124
Total	560

3.5 Data coding process

3.5.1 Information standardization processing of data

The information mining and standardization processing of event data were the first to be carried out. During the data collection, special attention was also paid to the qualitative information and quantitative information relating to the data. More plentiful and interesting information can be obtained through further exploration and mining of certain event information. We have carried out standardization processing for the data information. An event describes what happened, who and when did something, i.e. the event contains the time, activity and selection(Langley,1999). Based on the data such as events, reports from news media, annual reports, and news from official websites, standardization processing in this thesis was carried out, forming some event descriptions including information such as events, process and results. Meanwhile, some objective comments or background explanation of events are included, which can help us to further understand the backgrounds and meanings of an event. For example:

Huawei announced that it would establish new research and development centers in Ottawa, Canada, to expand the business. A local Huawei spokesman said that the foundation stone laying ceremony would be conducted on April 20, 2010. Huawei announced in a statement that the new research and development centers would be located at high-tech center Kanata. By employment of local high-tech talents and Telecommunications talents, Huawei intended to promote the research and development of wireless communication, IP and optical cable communication.

3.5.2 Event extraction

Event extraction refers to extraction of effective event data from standardized news reports and event information. Event extraction helps us to better understand and grasp the core information. During event extraction, complete and accuracy event information shall be maintained under this premise of information simplification. For example, the following table

is extraction of part of the events ofTCL:

Table 3- 5: Event extraction

No.	Event	Event Extraction
1	<p>In January 1999, TCL performed the outflanking tactics to enter the Vietnam market and acquired the foreign investment enterprise – Lushi Corporation (Hong Kong) of Dong Nai electronics corporation (the only one TV production enterprise in Vietnam), bypassing the current policy constraints.</p>	<p>TCL acquired the foreign investment of Dong Nai electronics corporation in Vietnam, bypassed the current policy constraints and entered the Vietnam market</p>
2	<p>The overseas development of TCL must be a process with continuous localization and seeking of best local superiority combination. On January 30, 2002, Indonesian branch of TCL had found suitable partners both in supply side and sell side. They utilized the advantages of ethnic Chinese in these fields to control and relieve the risks and create interactive effect to achieve win-win results. The logistics and tariff advantages of assembly in Indonesia and SKD pattern formed the overall cost advantage and guaranteed the continuous and stable supply of commodities. In order to seek for long-term development in Indonesia, TCL had to transform the pattern without delay. At that time, Mr. Chen Guohui, the boss of ARISA, also sought for partners positively. By the agency of Japanese trading company, he contacted with TCL and then they quickly became partners.</p> <p>During cooperation, ARISA showed their great sincerity and invested \$200,000 in advance to purchase an old processing line with complete machine and signal source equipment, and then invested \$500,000 in later period to purchase 2 sets of advanced 850t injection molding machines, and expanded the plants and warehouses. They also accepted the suggestion of "Exclusivity Agreement" and issued TCL a reserve bank guarantee of \$450,000. Zhong Yunguang said that "We invested no money in manufacture. It's difficult for us to find another partner in Indonesia with strength and sincerity like ARISA. "</p> <p>TCL has a good partner in Indonesia, PT ARISAMANDIRI PRATAMA, which is located in Semarang, Central Java. It is a local Chinese enterprise, with more than 1,000 workers and strong manufacturing capability in LED, LCD TV, air conditioner, washing machine, etc. It is familiar with the customs, tax and local laws, so that the risks in operation can be reduced during cooperation. At present, the plant is able to handle various relations in production and reduce the complicated customs formalities. In general, bulk items imported from China can be cleared by the customs on the following day, and provided on the production line on the third day. For quality control, TCL dispatches quality inspectors to Indonesia to manage the production process and quality of the plant, so as to guarantee the quality of products.</p>	<p>(Introduction from Japanese trading company) TCL and Indonesian ARISA cooperated in production to reduce the multifarious customs formalities and the risks in management.</p>

3	<p>On September 17, 2002, TCL International Holdings Ltd. purchased the Schneider Electronics AG, an established electric appliance manufacturer in Duekheim. This was the first attempt of internationalization for TCL. The acquisition included the plants, sales networks (including chain stores) and hypermarkets, e-commerce and a series of rights to use the trademark of Schneider. On October 25, the German Schneider Electronics AG wholly-owned by TCL started business in Munich.</p>	<p>TCL International Holdings Ltd. purchased the Schneider Electronics AG, an established electric appliance manufacturer in Duekheim, Germany, and obtained the brand, technology and market network.</p>
4	<p>In April, 2004, TCL acquired the mobile phone business of Alcatel (France) and obtained the research and development centers and global sales network of Alcatel.</p>	<p>TCL acquired the mobile phone business of Alcatel (France) and obtained the research and development centers and global sales network of Alcatel.</p>
5	<p>On 29, January, 2004, TCL and Thomson (France) signed a cooperation agreement and established the TCL-Thomson Electronics Ltd. Politicians in China and France, such as Chinese President Hu Jintao and French Prime Minister Jean-Pierre Raffarin, attended the contract signing ceremony.</p>	<p>Politicians in China and France, such as Chinese President Hu Jintao and French Prime Minister Jean-Pierre Raffarin, attended the contract signing ceremony for establishment of TCL-Thomson Electronics Ltd.</p>
6	<p>On March 20, 2005, the "TCL Golf PRO Contest", which was the first contest titled and sponsored by Chinese enterprise with subvention of \$1 million in 43 history of Golf European Tour, was completed successfully.</p>	<p>TCL sponsored the Golf PRO Contest European Tour.</p>
7	<p>In October, 2006, TCL announced the reorganization of TTE European operations (name of the joint venture enterprise between TCL and Thomson): terminated all the TV sales and marketing activities except the OEM business; "liquidated" the European assets and inventories of TCL-Thomson. In addition, TTE also closed six of the eight sales companies in Europe and gradually reduced the production order to Angers Plant of Thomson. TCL Multimedia Technology began to stop the original money-losing businesses of TTE Europe, its wholly-owned subsidiary in France, and dismissed most of the employees. And then, based on the new European business platform, TCL introduced a business pattern of "Borderless Concentration". The headquarter in Shenzhen was responsible for providing back-office support, such as finance and after-sales service, for sales personnel in Europe and optimizing the supply chain. The supply chain model such as B2O and F2C were adopted, so as to achieve world purchasing and logistics distribution, build a supply chain suitable for Eastern and Western Europe, different brands, customers and customs unions, and simplify the original delivery chain "plant-warehouse-dealer" to end-to-end supply of "plant-dealer" to reduce the transit time of products.</p>	<p>TCL reorganized the TTE European operations: terminated the TV business, closed most of the sales companies, stopped the money-losing businesses, liquidated the assets, and dismissed most of the employees; introduced new business pattern and optimized the supply chain.</p>
8	<p>On June, 8, 2011, new about the 3D live-action Hollywood blockbuster <i>Transformers: Dark of the Moon</i> was disclosed that TCL, a Chinese color-TV enterprise, became the international joint promotion partner of <i>Transformers: Dark of the Moon</i> formally. And the news was verified by contact with Paramount and TCL.</p> <p>Mr. Liang Qichun, General Manager of TCL Brand Management Center, introduced that as the international joint promotion partner of <i>Transformers: Dark of the Moon</i>, in addition to a series of promotion activities in China, TCL would also conduct overseas promotion activities for <i>Transformers: Dark of the Moon</i> and TCL brand synchronously, so as to take this</p>	<p>TCL started the worldwide promotion activities cooperating with <i>Transformers: Dark of the Moon</i>.</p>

	<p>opportunity to promote the technology, intelligence and energy of TCL to global consumers.</p>	
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3.5.3 Conceptualization processing

Based on the above event extraction, the event information in this thesis is conceptualized, and some qualitative conclusions are added (such as in the following table, reducing the complicated customs formalities and risks in operation). The open coding is adopted for conceptualization processing in this thesis. With open coding, representative conceptions are selected and extracted from the original data, so as to recognize as many subjects as possible (Dougherty, et al., 2012). With open coding, some qualitative conclusions are formed, and these conclusions can help us to get a preliminary judgment for event attribute. And important theoretical information is included in the conclusions. It is shown as follows:

Table 3- 6: Conceptualization processing

No.	Date	Event Extraction	Conceptualization
1	January 1, 1999	TCL acquired the foreign investment of Dong Nai electronics corporation in Vietnam, bypassed the current policy constraints and entered the Vietnam market	Investment & acquisition, bypassing the trade barrier
2	January 30, 2002	TCL and Indonesian ARISA cooperated in production to reduce the multifarious customs formalities and the risks in management (Introduction from Japanese trading company).	Joint venture, decrease of customs formalities and overseas operational risks
3	September 27, 2002	TCL International Holdings Ltd. purchased the Schneider Electronics AG, an established electric appliance manufacturer in Duekheim, Germany, and obtained the brand, technology and market network.	Overseas merger and acquisition, acquisition of brand, technology and market network

4	April 27, 2004	TCL acquired the mobile phone business of Alcatel (France) and obtained the research and development centers and global sales network of Alcatel.	Overseas merger and acquisition, acquisition of brand, technology and market network
5	January 29, 2004	Politicians in China and France, such as Chinese President Hu Jintao and French Prime Minister Jean-Pierre Raffarin, attended the contract signing ceremony for establishment of TCL-Thomson Electronics Ltd.	Joint venture, participation of governmental top management
6	March 20, 2005	TCL sponsored the Golf PRO Contest European Tour.	Development of sports marketing
7	October 8, 2006	TCL reorganized the TTE European operations: terminated the TV business, closed most of the sales companies, stopped the money-losing businesses, liquidated the assets, and dismissed most of the employees; introduced new business pattern and optimized the supply chain.	Asset reorganization, new business pattern
8	June 8, 2011	TCL started the worldwide promotion activities cooperating with <i>Transformers: Dark of the Moon</i> .	Promotion and marketing with the help of movies

3.6 Dimension division

3.6.1 Basis for dimension division

In order to deeply analyze the internationalization process of EMFs, the case data in this thesis will be divided into two dimensions and put into the same matrix for research:

Motives of international expansion for EMFs

There are various reasons for enterprises to carry out overseas expansion, and the most basic reasons are to increase the profit and improve the performance level (Coase, 1937; Williamson, 1975). Multinational operation for enterprises is a process to reduce the barriers for international transfer of trade and technology (Stephen Herbert Hymer, 1976). Dunning (1977) divided motives of overseas expansion for transnational corporations as four types: resource seeking, market seeking, efficiency seeking and global strategy. From the

aspect of resource-power, EMFs make use of the existing ownership advantage to form the initial competitive advantages, and then take overseas investment activities to seek other short complementary resources. Such case is a sharp contrast to that the purpose for traditional EMFs conduct foreign investments is to make better use of their ownership advantage.

From the aspect of resource dependence, EMFs have two inborn disadvantages during international expansion. One disadvantage is about technical supply: EMFs are limited in innovative talents and resources because EMFs are far from the global science and technology center; the other disadvantage is about market control: EMFs are faced with dual conditions of economic globalization and market segmentation due to separation from the main and complicated international market(Lan & Pi,2011). Under the "bidirectional resource dependence" condition of technology and market (Du, 2012), based on the research, Luo and Tung(2007) put forward the "spring-board" perspective for how EMFs to enter the international market and get over the domestic competition pressure and restrictions of market size. He thought that EMFs do not completely comply with the Uppsala internationalization process process, but directly obtain the necessary strategic resources by "spring-board" method of cross-border mergers and acquisitions or greenfield investment. When compared with enterprises in developed countries, they have higher risk preference. They always take the high-profile and fast internationalization way (for example: merger and acquisition) to expand their overseas business(Peng et al.,2009). EMFs may try to seek assets including technologies, knowledge, R&D facilities, human capital, brands, consumer groups, marketing channels, management experience and natural resources. These assets are necessary to meet the (1) requirements to support the national economy and society and (2) requirements to compensate the competitive advantages of companies. Luo and Tung(2007) thought that EMFs have two motives to carry out internationalization: one is to get chance and the other is to acquire assets.

The spring-board theory put forward by Luo and Tung(2007) provides reasonable explanations for radical behaviors in the international expansion of EMFs, and the related standpoints are also widely accepted by academic circles. According to the points of the spring-board theory and with combination of case study, the internationalization motives of EMFs are divided into two types in this thesis: asset seeking and opportunity search. According to the definition (Luo & Tung, 2007), asset seeking refers to acquisition of technology, brand and sales network to make up for the self-ability, gaps and other business requirements. EMFs may try to seek assets including technologies, knowledge, R&D facilities, human capital, brands, consumer groups, marketing channels, management experience and

natural resources; opportunity seeking mainly refers to seek other elements other than assets, including (1) entering the niche market in the developed market to strengthen their advantages; (2) obtaining the favorable financial help and non-financial help provided by local government; (3) improving the company's scale and reputation; (4) avoiding the restrictions of local companies or market; (5) bypassing trade barriers and entering the market; (6) grasping the opportunity to make use of their manufacturing capability with cost advantage in other developing countries; (7) developing the potential fields unrelated to opportunity.

Dependable forces of international expansion for EMFs

With combination of the four cases in this thesis, there are internal and external dependable forces as spring boards for internationalization of enterprises. Thus, the dependable forces of international expansion for EMFs are divided into two types: (1) only forces inside the enterprise are considered, i.e. an international expansion activity is completed mainly with help of internal forces of the enterprise; (2) the insertion of external relationships is also considered with combination of the Uppsala network and Spring-board Theory, i.e. not only the internal efforts of the enterprise, but also the external relationships are used to achieve certain purpose. We include such enterprise activities into a dimension utilizing the external relationships.

Matrix structure of international expansion behaviors for EMFs

The ambidexterity theory thinks that organizations are always faced with "ambidexterity" ability, and enterprises can pursue multiple separate things, such as exploration and usability, efficiency and flexibility, low cost and customer response, global integration and local responsiveness, stability and adaptation, immediate interests and long-term growth. And these are abilities required in transnational expansion for EMFs in emerging market. The ambidexterity theory emphasizes on having two separate or opposite orientations at the same time, but not making decisions and selections(March,1991; Eisenhardt & Martin,2000; Gavetti & Levinthal,2000; Raisch & Birkinshaw,2008). Based on the theoretical research and with combination of ambidexterity perspective, the internationalization motives and dependable forces of EMFs are put in the same matrix for research in this thesis.

	Dimension of Dependable Forces	
Dimension of Motives	Asset-seeking	Internal forces
	Opportunity-seeking	External relationship

Figure 3- 1: A matrix structure of EMFs

3.6.2 Dimension division and consistency check

Dimension division refers to further classification and category partition of events. According to the thoughts in this thesis, the event data are divided into motive dimension and dependence dimension. In case of motive dimension, EMFs can be divided into two types: asset seeking and opportunity seeking; in case of dependence dimension: EMFs can also be divided into two types: one is to make use of the internal forces of the enterprise and the other is to make use of the external relationship. The dimension division in this thesis is as follows:

Table 3- 7: dimension division

Date	Event Extraction	Conceptualization	Motive	Dependable Force
January 1, 1999	TCL acquired the foreign investment of Dong Nai electronics corporation in Vietnam, bypassed the current policy constraints and entered the Vietnam market	Investment & acquisition, bypassing the trade barrier	Opportunity-seeking	Internal forces
January 30, 2002	(Introduction from Japanese trading company) TCL and Indonesian ARISA cooperated in production to reduce the multifarious customs formalities and the risks in management.	Joint venture, decrease of customs formalities and overseas operational risks (introduction from Japanese trading company)	Opportunity-seeking	External relationship
September 27, 2002	TCL International Holdings Ltd. purchased the Schneider Electronics AG, an established electric appliance manufacturer in Duerkheim, Germany, and obtained the brand, technology and market network.	Overseas merger and acquisition, acquisition of brand, technology and market network	Asset-seeking	Internal forces
April 27, 2004	TCL acquired the mobile phone business of Alcatel (France) and obtained the research and development centers and global sales network of Alcatel.	Overseas merger and acquisition, acquisition of brand, technology and market network	Asset-seeking	Internal forces
January 29, 2004	Politicians in China and France, such as Chinese President Hu Jintao and French Prime Minister Jean-Pierre Raffarin, attended the contract signing ceremony for establishment of	Joint venture, participation of governmental top management	Asset-seeking	Internal forces

	TCL-Thomson Electronics Ltd.			
March 20, 2005	TCL sponsored the Golf PRO Contest European Tour.	Development of sports marketing	Opportunity-seeking	Internal forces
October 8, 2006	TCL reorganized the TTE European operations: terminated the TV business, closed most of the sales companies, stopped the money-losing businesses, liquidated the assets, and dismissed most of the employees; introduced new business pattern and optimized the supply chain.	Asset reorganization, new business pattern	Asset-seeking	Internal forces
June 8, 2011	TCL started the worldwide promotion activities cooperating with <i>Transformers: Dark of the Moon</i> .	Promotion and marketing with the help of movies	Opportunity-seeking	Internal forces

Finally, after the event data are processed, in order to guarantee the accuracy of dimension division, the method of He Jing and Du Yifei (2014) was referred in this thesis: find an independent reviewer and carry out a temporary training on classification standards in this thesis, and then reclassify the events in this thesis to check whether the classification in this thesis is able to be repeatedly done (Du, 2011; Du & Pang, 2014). And the results showed that dimension division of 498 events (totally 560 events) is consistent with that of the thesis. Thus, it is proved through the test that the dimension division for events in this thesis is reasonable with objectivity and repeatability.

3.7 Stage division

The internationalization process of EMFs is mainly analyzed from their main internationalization degree in this thesis. As such, in order to better explore the evolution of internationalization strategies in each stage, enterprises can be divided into three stages from the aspect of time: preparation stage, radical internationalization stage and later stage of internationalization. In each stage, activities in the stage are of certain continuity and also certain discontinuity with the contiguous stage (Langley & Truax, 1994). It is shown as follows:

Table 3- 8: Stage division

	TCL	Haier	Huawei	Geely
Stage 1	Expansion in Southeast Asian market and Russian market (1999.1-2002.8)	Investment and construction in developing countries such as Southeast Asian countries (1996.2-1999.3)	Expansion in South America, Brazil, India, Thailand, Russia, etc. (1995.1-2000.12)	Market expansion in developing countries by agency mode (2002.12-2006.10)
Stage 2	Expansion in European market and American market (2002.9-2008.1)	Investment and construction in developed countries such as European countries and America (1999.4-2008.6)	Entering the developed market, such as Europe and America (2001.1-2010.12)	Entering the developed market, such as Europe and America (2006.11-2013.2)
Stage 3	Resources integration and opportunity-seeking in global market (after 2008.1)	Resources integration and opportunity-seeking in global market (after 2008.6)	Resources integration and opportunity-seeking in global market (after 2011.1)	Resources integration and opportunity-seeking in global market (after 2013.2)

The first stage: preparation stage, i.e. trial internationalization stage. In this stage, activities are mainly small-scale foreign investment, plant construction, entrustment of an agent, or seeking opportunities of joint venture with local enterprises. In this thesis, the entry modes for each enterprise in trial internationalization stage are also complicated and unfixed, such as outward foreign direct investment, greenfield construction, establishment of sales subsidiaries and development of transnational agents.

The second stage: radical international expansion stage. In this stage, after previous preparation, enterprises begin to enter the markets in developed countries. However, because of the inborn late-developing disadvantages, with the bidirectional resource dependence of technology and market, enterprises do not completely meet the requirements to compete with the enterprises in developed countries. Thus, they choose a radical entry mode of merger and

acquisition (mainly make use of the technology and brand of the merged enterprise) or greenfield investment (mainly make use of the cost and scale advantage in home country). For the four case enterprises, because of defects in their technologies and management abilities, most of them have a long period of "post-springboard" difficult and resource integration period. Therefore, in this stage, enterprises are under unstable development status.

On the third stage: later period of international expansion, i.e. stable development period. On this stage, EMFs have solved the "post-springboard" difficulties (Luo & Tung, 2007). On this stage, enterprises integrate their internal and external resources. Meanwhile, they make use of the relation network to achieve localized embeddedness, so as to obtain broader market space and realize their global strategic targets.

3.8 Data analysis

According to the above processes, data statistics for the above listed case events is carried out. Each event counts for 1, and then number of times of appearance for each dimension in each stage is calculated. With such data statistics rules, if the frequency of a dimension is higher, it indicates that the strategic focus of the enterprise on that stage is partial to the dimension. Thus research on evolution process of strategic focus of the enterprise is more convenient.

The categorical data of internationalization motives in each stage are processed statistically as follows:

Table 3- 9: The categorical data of internationalization motives

Stage	Motive	TC L	Hai er	Hu awei	G eely
Stage 1	Asset-seeking	4	7	8	5
	Opportunity-seeking	8	0	5	4
Stage 2	Asset-seeking	33	33	42	31
	Opportunity-seeking	27	35	24	55
Stage 3	Asset-seeking	13	29	37	7
	Opportunity-seeking	30	51	50	22

The categorical data of dependable forces for internationalization in each stage are as follows:

Table 3- 10: The categorical data of dependable forces

Stage	Dependable Force	T CL	Haier	Huawei	Geely
Stage 1	Internal forces	8	6	9	6
	External relationship	4	1	4	3
Stage 2	Internal forces	9 ³	42	49	47
	External relationship	2 ¹	26	17	39
Stage 3	Internal forces	5 ²	50	63	15
	External relationship	8 ¹	30	24	14

3.9 Conclusion of this chapter

Exposition is given in this thesis from research thought, methods, data collection and processing, etc. And basis for thoughts and methods is provided for further development of follow-up study.

Chapter 4 : The Course of Internationalization of EMFs: Evolution Characteristics of the Motives and Dependent Forces

Under the background of dependence on bidirectional resources of technology and market, EMFs proceed internal expansion through radical "springboard" such as investment and merger. Their internationalization motives and dependent force are evolving with the development of internationalization. Based on the collected 560 data about four Chinese enterprises, this chapter researches evolution rules of EMFs' internationalization from the aspect of motives and dependent forces. On this basis, through process analysis, this part will further clarify the mechanism of action and development trend in this process.

4.1 Evolution rules of motives and dependent forces in internationalization of EMFs

Since the sample data of each year is different, there is no comparability for them (though it can be used to judge the frequency of a firm's cross-national activity in a particular year). Data of each year is made standardized processing and line graph is drawn in this dissertation to indicate mutual equilibrium relationship between all dimensions. From standardized processing line graph, relative relationship can be easily recognized, so that we can mine relative information of every case more efficiently.

Based on the line graph we draw after data standardized processing, the author would like to discuss evolution of motives and dependence dimension of the four cases in this dissertation by stages.

4.1.1 Evolution of motives of internationalization

(1) TCL

As shown in the graph below, in the first stage, TCL successfully entered into the market of Southeast Asia and Russia, whose primary target was to export products. Bypassing trade barriers was a path of products exporting, so dominant motive in this stage was opportunity seeking. Until September 2002, when TCL International Holdings Limited purchased Schneider Electric, an old brand appliance manufacturer, it got an access to developed

markets, which is the symbol of the springboard stage of TCL's internationalization. In this stage, TCL kept balancing opportunity seeking and asset seeking and kept alternating these two orientations, which is the process for enterprise to alternately orient two strategic motives. After reaching the later stage of springboard (2008), TCL reduced its radical international mergers and acquisitions, with this kind of fluctuation disappeared and altering to strategies opportunity oriented.

To sum up, evolution process of motives for TCL's internationalization strategy can be summarized as follows: in the first stage of TCL's internationalization, it is mainly opportunity oriented; in the second stage, TCL kept a dynamic equilibrium process all along between asset seeking and opportunity seeking which two orientations were alternated in this process; in the third stage, TCL completely leaned to opportunity oriented strategies. As shown in the graph below

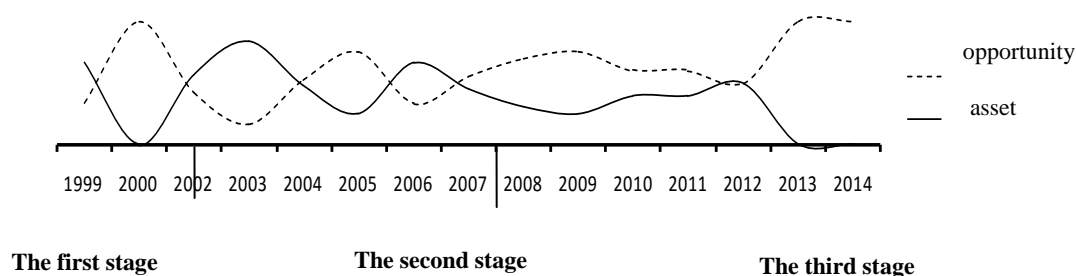


Figure 4- 1: Evolution of TCL's internationalization motivation

(2) Haier

In the first stage of internationalization, Haier mainly focused on investing and setting up factories in developing countries, which presented obvious motive of asset seeking. In the second stage, with Haier Industrial Park established in South Carolina, America by Haier in 1999, Haier began its radical international expansion. In the first half of this stage (1999-2002), it was partial to asset seeking, then (2002-2004) it turned to opportunity seeking. After 2004 until the latter half of this stage, it was still opportunity oriented, but asset orientation gradually increases and tends to be close to opportunity orientation. From an overall perspective, in the second stage, asset seeking and opportunity seeking were balanced against each other and alternated between dominance. In the later period of springboard, its overall performance was opportunity orientation, but asset orientation still existed in a certain time (for example, it was asset orientation that played a leading role in 2003).

Evolution process of motives for Haier's internationalization can be concluded as follows: In the first stage of internationalization, Haier performed as asset seeking oriented; in the first

half of the second stage, it mainly focused on asset seeking, while it gradually turned into opportunity orientation in the later half stage and it, as a whole, had a bias to opportunity seeking; overall, Haier kept dynamic equilibrium between asset orientation and opportunity orientation, and these two strategic motives alternated between dominance in this process. In the third stage, Haier's motives of internationalization were totally biased towards opportunity orientation. We can see it in the following graph

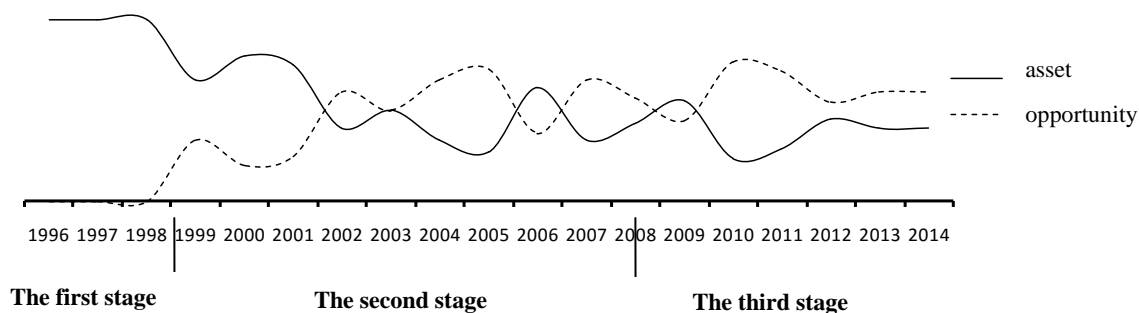


Figure 4- 2: Evolution of Haier’s internationalization motivation

(3) Huawei

In the first stage of internationalization, on the one hand, Huawei absorbed advanced enterprises' international management technology and experience, on the other hand, it accelerated its localized embeddedness in current markets. Hence, from the view of motive, the two strategies—asset seeking and opportunity seeking alternated between dominance in the first stage. Though not really obvious, Huawei's international activities in this stage still could be considered as asset seeking strategic orientation in accordance with absolute event data (8 events for asset seeking and 5 for opportunity seeking); in the second stage, Huawei established research and development centers and factories all over the world, and it obtained overseas assets through a series of investment and mergers and acquisitions. Simultaneously, Huawei paid much attention to social activities to attain strategic opportunities. Overall, asset orientation of Huawei was relatively evident in this stage. Though opportunity orientation did not cross with asset orientation, there was a trend of crossing and equilibrium. In the late stage, strategy of opportunity seeking ascended to be the leading force; in the third stage, under the tendency of opportunity seeking becoming the dominant force in the former stage, Huawei completely transitioned to strategies opportunity orientation.

In conclusion, evolution process of motives for Huawei's internationalization can be summarized as follows: In the first stage, asset orientation and opportunity orientation maintained balance and alternated between dominance, but it was partial to asset orientation in the late stage; in the first half of the second phase, it exerted asset orientation, and began to

transfer into opportunity orientation in the latter half phase; on the whole, Huawei held a dynamic equilibrium between asset orientation and opportunity orientation, and these two strategic motives alternated between dominance in this course. In the third stage, Huawei's motives of internationalization were totally biased towards opportunity orientation, just as shown in the following graph:

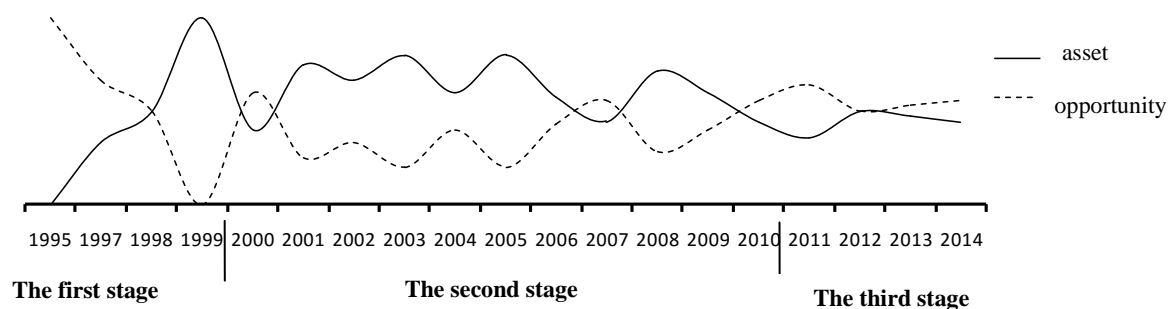


Figure 4- 3: Evolution of Huawei's internationalization motivation

(4) Geely

Geely did not proceed large-scale transnational investment or mergers in the first stage of internationalization, but to sell products via sale agent. Geely Automobile had few international events in this stage. In the first half stage, Geely showed no preference on the two motives while in the latter half stage it was oriented to asset seeking; in the second stage, Geely started to set up auto parts and assembly plants in abroad, and then conducted positive social activities to guarantee its overseas orders. During a short period of this early half stage, asset seeking was the dominant force, but after 2007, Geely was fully bias to opportunity orientation, and its overall performance turned out to be opportunity orientation. In this stage, opportunity orientation and asset orientation did not obviously cross with each other, but there was still a trend of crossing and equilibrium. The dynamic equilibrium and dominance alternating of the two strategies occurred in 2007 and 2011; in the third stage, it is obvious that Geely developed towards opportunity orientation.

To conclude, evolution process of motives for Huawei's internationalization can be summarized as follows: in the first half of the first stage, there maintained a balance between these two strategies, and in the latter half stage, Geely was gradually bias towards asset orientation, and the overall trend was that asset orientation and opportunity orientation kept balance and alternated between dominance; in a short time before the second stage, Geely showed its asset orientation, and then transited to opportunity orientation which was the overall tendency; for general trend, opportunity orientation took dominant status, but there

was still a dynamic equilibrium between asset orientation and opportunity orientation (the alternating point is not so clear in this case, but considering from tendency, the two strategic motives were constantly close to each other, which was regards as reaching some equilibrium point in this dissertation.), and in this process, two strategies alternated between dominance. In the third stage, Geely was entirely bias towards opportunity orientation. We can see it from the following graph:

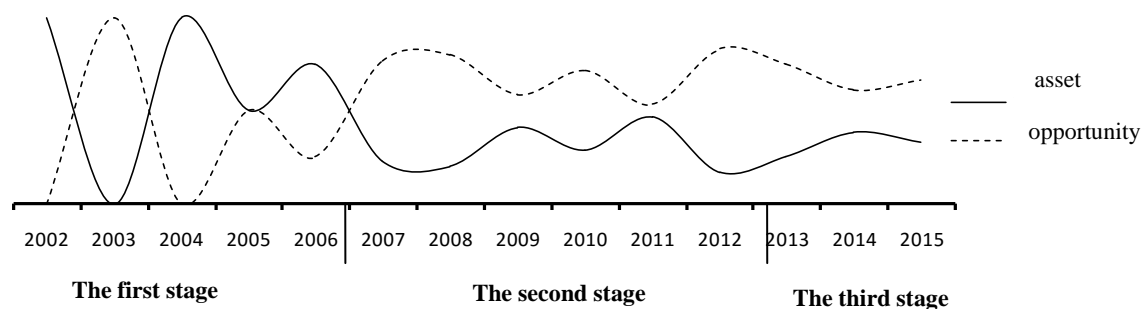


Figure 4- 4: Evolution of Geely's internationalization motivation

4.1.2 Evolution of dependent forces of internationalization

(1) TCL

The internal force and external relations of TCL working together promoted its international expansion course. In the early two stages, TCL had alternative dominant of international expansion dependent on internal force and external relations. In the third stage, it was mainly dominated by internal force and its overall trend was internal force as well. This indicated that despite external relations played an important role in enterprise's international expansion, internal force was still a key factor for accelerating internationalization process. Particularly, after the third stage, internal force's dominant trend was more and more obvious, just as shown in the flowing graph

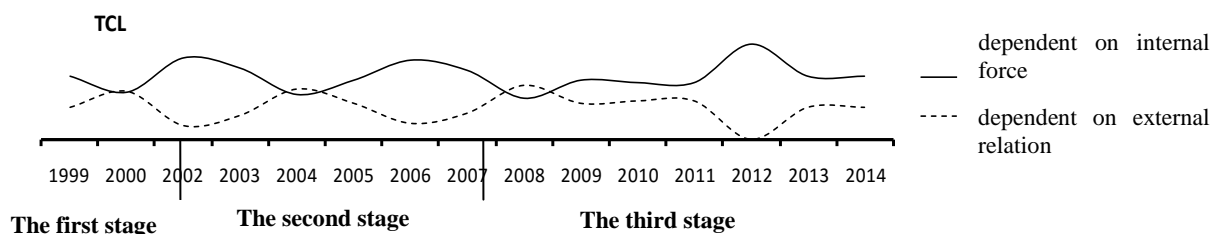


Figure 4- 5: Evolution of TCL's dependent forces

(2) Haier

In the first stage, reliant force of internationalization for Haier mainly came from interior, and its principal activities at that time were to invest and set up factories in some developing countries by dependent on internal advanced management and technology; in the second stage, external relations began to perform a crucial function and have alternative dominant with internal force. In the third stage, the orientation of dependent on internal force was becoming a stable tendency little by little. From the data of Haier's internationalization for 18 years, it was external relations oriented in only 3 years, which explained that on the whole, internal force was in a predominant status in the whole course of internationalization, as shown in the below graph:

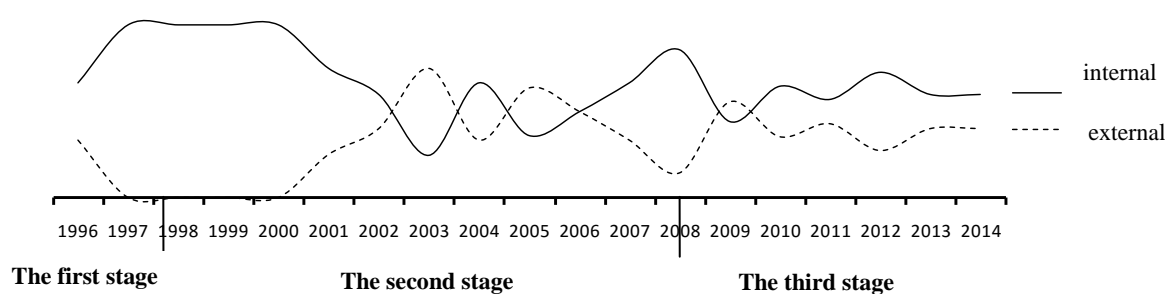


Figure 4- 6: Evolution of Haier's reliant forces

(3) Huawei

Huawei is a technology enterprise in communication industry, and most of its international business is to provide communication technology and service. Different from other enterprises who sell products in international markets, Huawei mainly relied on enterprise's internal qualification and technical strength to capture overseas order and accomplish international expansion. Therefore, the internal force of Huawei took the predominant status in the whole course of internationalization, as illustrated in following graph:

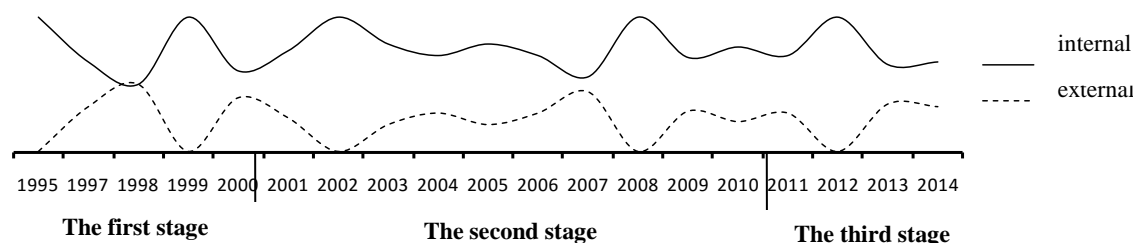


Figure 4- 7: Evolution of Huawei's reliant forces

(4) Geely

Similar to Haier, Geely's international expansion in the first stage was internal force

oriented. Its major activities were to export products by setting agents; in the second stage, internal force and external relations of Geely alternated between dominance and had coordinative evolution, pushing internationalization course all together. In the third stage, internal force of Geely gradually took over the predominant status which became a stable trend, as shown below:

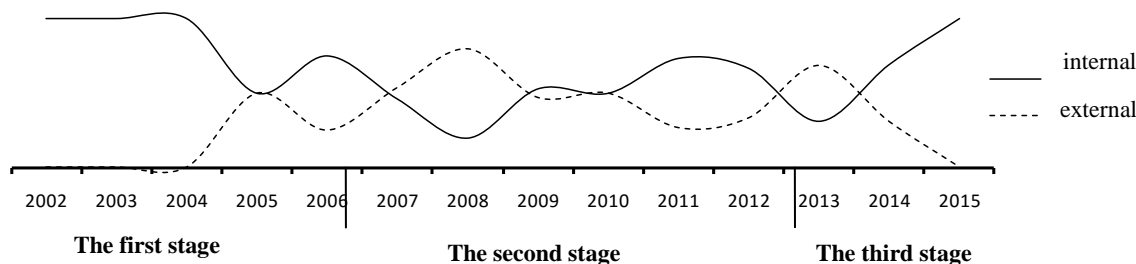


Figure 4- 8: Evolution of Geely's reliant forces

4.1.3 Comparison of the two dimensions' crossing

(1) Relationship between two reliant forces and strategies of opportunity seeking

There are two reliant forces for opportunity seeking: one is to dependent on internal force to seek opportunity, the other is to dependent on external relations to seek opportunity. Data demonstrate that four enterprises quoted in this dissertation simultaneously relied on internal force and external relations of enterprise to gain opportunities in all stages of internationalization, and these two reliant forces alternatively led enterprises' strategies of opportunity seeking, so the author believes that internal force and external relations are equally important for opportunity seeking. The following is the comparison graph of TCL's internal and external opportunity seeking:

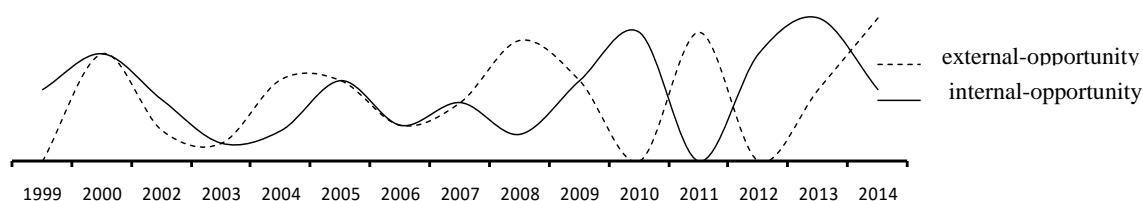


Figure 4- 9: Comparison graph of TCL's internal and external opportunity seeking

(2) Relationship between two reliant forces and strategies of asset seeking

From the data of four researched enterprises' two reliant forces for asset seeking, the four enterprises all depended mainly on internal force to seek assets. Although there was as short-time external relation orientation in the late springboard period of TCL and springboard

period of Haier, this dissertation holds that it still will not influence overall tendency. Following is the comparison graph of Huawei's internal and external opportunity seeking:

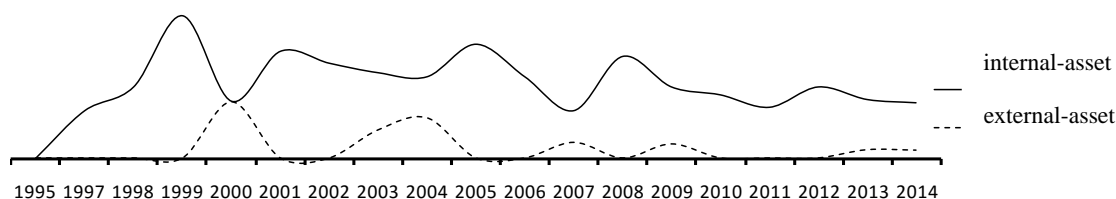


Figure 4- 10: Comparison graph of Huawei's internal and external opportunity seeking

4.1.4 Evolution rule and framework

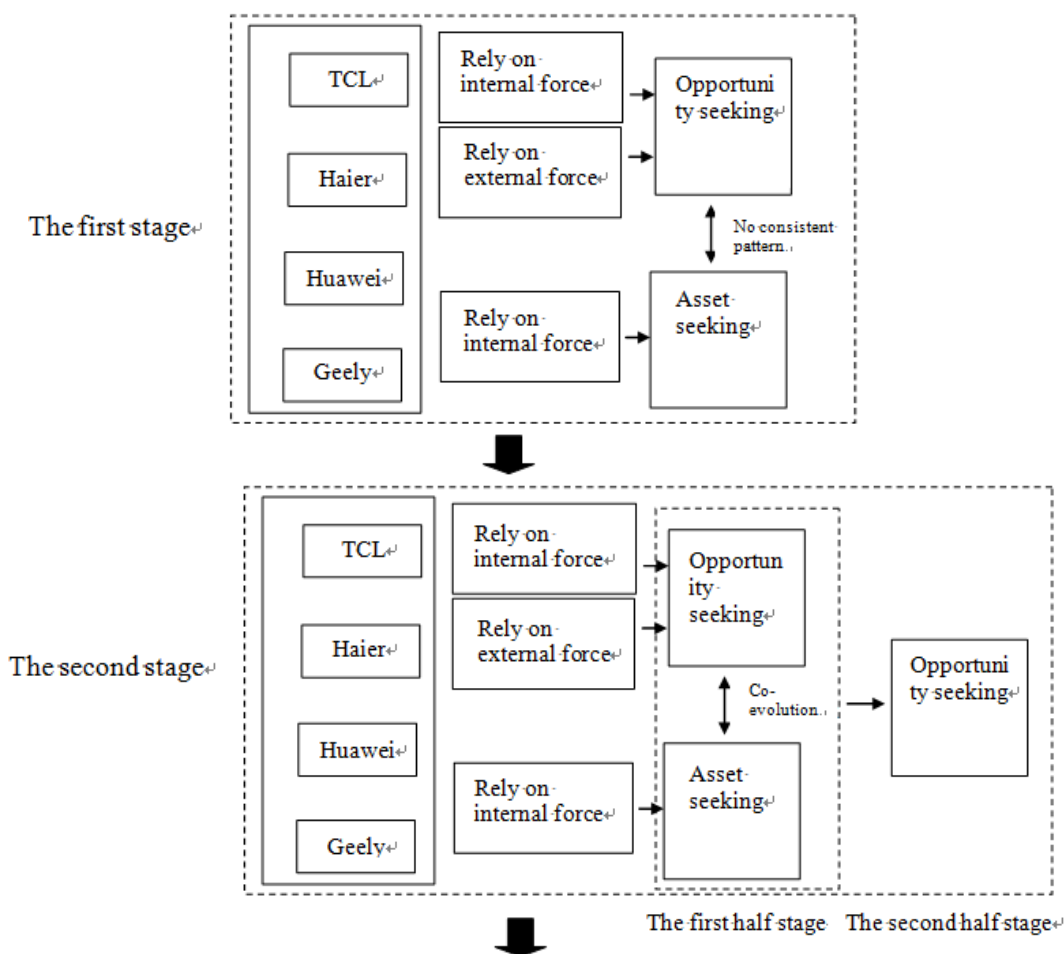
Based on analysis of event path, this dissertation analyzed evolution process of motives and reliant forces in internationalization in all three stages, and then reveal the evolution rule of two international motives and two reliant forces of EMFs.

Collected data present that from the dimension of motive: (1) In the first stage, EMFs takes international expansion as springboard to obtain external assets and opportunities. This stage mainly focuses on resource acquisition and has no specific restriction to resources themselves. Both strategic asset seeking and strategic opportunity seeking can play the leading role in this stage. For instance, in the first stage, strategic opportunity seeking was predominant in TCL, while Huawei, Haier and Geely were dominated by strategic asset seeking. (2) In the second stage, under the background of early international expansion and accumulative resources and internationalization competence, EMFs obtain further strategic assets and opportunities. Since there is no fundamental change on their disadvantages of backwardness, limited enterprise resources force them to make decisions on strategic focus in radical international expansion. Seeking strategic assets can improve enterprise's capacity of core technology, market network, internal management, etc.; seeking strategic opportunities can push enterprise to integrate into local society, improve enterprise image, and gain more support from local government and local society. Asset acquisition brings opportunity while opportunity seeking promotes enterprise to digest and absorb assets achieved from radical mergers. In this stage, four enterprises mentioned in this dissertation kept constant balance between asset seeking and opportunity seeking. The two international strategic motives alternated between dominance and kept in proper sequence, promoting internationalization course of EMFs together. (3) In the third stage, after international operation for many years, we think that operation of EMFs in foreign markets tends towards stability and has certain

specific resource superiority. At that time, international asset seeking is not enterprise's first choice any more, and the center of strategy shifts to seeking more global opportunity. Strategic motives of the four firms studied in this dissertation were all bias towards opportunity seeking in this stage. Searching for and mastering global opportunities not only contributes to EMFs' better integrating into local market, but also brings wider cooperative relationship between global enterprise and firm, firm and government, as well as firm and society.

From the dimension of reliant forces, EMFs mainly dependent on internal force to capture international assets, while external relations have little effect on asset seeking. In contrast, both internal force and external relations are important in opportunity seeking. Especially after the third stage, gaining opportunities through internal force became the leading force.

In conclusion, this dissertation describes evolution rule of motives and reliant forces in internationalization in all three stages:



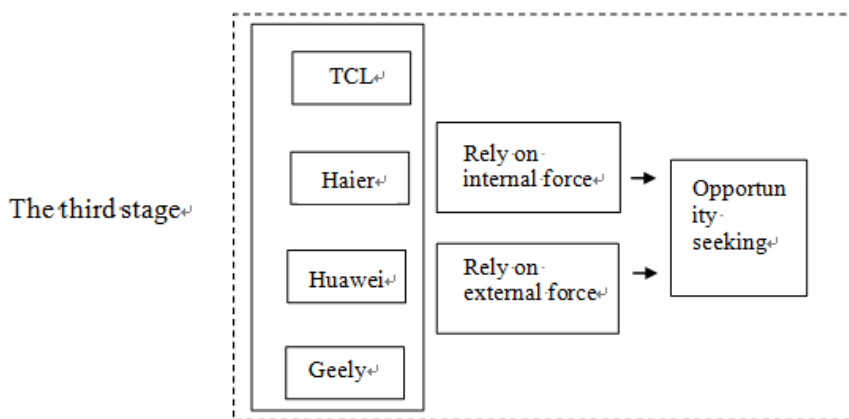


Figure 4- 11: Evolution rule of motives and dependent forces in internationalization of EMFs

4.2 Process analysis on every stage

As the linear development data collected in this dissertation are rich and varied, but disorderly and unsystematic, process study often takes a way of narrating abundant and interesting stories (April L Wright & Zammuto,2013), thus help to exhibit evolution process of strategic motives and reliant forces in international expansion of EMFs. Consequently, TCL, Huawei, Haier and Geely were selected as research subjects in this dissertation. Based on above analysis of event path, through process study, this dissertation explores evolution rule of strategic motives and reliant forces in internationalization of EMFs, and aims to dissect and explain the mechanism of EMFs' globalization process.

4.2.1 Evolution process of internationalization in the first stage

Due to the poor conditions of congenital technology and market resources, EMFs have no obvious advantage to participate in international competition. Consequently, EMFs are demanded to enhance their core capability of enterprise, including product or service competition ability, technical and managerial capacity, enterprise culture, adaptive capacity of localization, etc.

Considering from strategic motives of internationalization, because of disadvantage of backwardness, the major objective and task for EMFs in the first stage is to acquire critical resources favorable to international expansion. Strategic assets and strategic opportunities are exactly necessary key resources, so EMFs capture strategic assets and opportunities simultaneously in this stage to remedy disadvantage of backwardness.

In the aspect of asset acquisition, EMFs make organizational and technical preparation to

acclimatize themselves to the demands of internationalized operation. For example, in March 1993, TCL founded TCL Smart Mobile Telecommunications Company Limited in the form of joint ventures with an Italian mobile communication company. By means of cooperating with foreign communication companies, TCL acquired indispensable technical capacity, and thus entered the field of mobile phone. In November of the same year, after ownership reform, TCL set up TCL International Holdings Ltd and came into market in Hong Kong, which laid organizational foundation for international expansion. Later, TCL built international division and began to expand overseas market. Adopting development strategy of "consolidate step by step, priority to the easy", it focused on promoting its own brand products in emerging markets of some developing countries in Southeast Asia, Middle East, Eastern Europe and South Africa, and gradually established its own international sale network. TCL's acquisition of technical and organizational assets dramatically remedied its disadvantage of backwardness and promoted its internationalization.

TCL's asset acquisition was accompanied by the search for global expansion opportunity. For example, in 2000, TCL-SUM was set up by a 50%-50% joint venture between TCL and SOLID, a Philippine family firm with whom TCL had some OEM cooperation before. A local professional sales team was employed there to operate the company. TCL-SUN is a joint venture company invested by Chinese company TCL and Philippine company Solid. It specialized in TCL products in Philippines. In the same year, TCL moved into Philippine market and joined Philippine home appliance association, and its speed of development ranked highest among 17 members all the time, and thus be honored as "The most rapidly developed color TV brand" , "The color TV brand scares competitors most", and "The most international image-possessed Chinese brand". Until 2006, TCL held its market shares in top three in Philippines, becoming one of the leading brands in home appliance market. Later, TCL moved into Southeast Asian countries and Russia and entered regions and countries in Middle East, Africa, Australia, Latin America and the Far East via OME. EMFs' opportunity seeking activities take effective use of advantages of mass production and cost in home country. Their market development brings great sales performance, just as Zhong Yunguang, the director of strategic planning of TCL multimedia emerging market business center, stated:

TCL started to extend sales network in the vast land of Indonesia's 4 time zones and dispatched Chinese managers to its branch company in remote places like Medan. Zhong Yunguang introduced, "Owing to losses in previous business, investing in network building brings us tremendous stress. Every time we get down to establish a branch, we need to invest over 200 thousand yuan in a lump sum; but we still persist in engaging in this work. It is

imperative in a long run to take back the leadership of business in time while scale is not so large." By the end of 2003, 12 branches establish almost covered all large and medium-sized cities in Indonesia. Network exerted tremendous effects and sales scale in that year multiplied many times over.

From the reliant forces in international expansion, EMFs acquire assets and opportunities through internal force, for example, Haier relied on its powerful internal resource to invest and establish factories in some developing countries: it established the first overseas joint production enterprise mainly producing refrigerator in Jakarta, Indonesia; Philippine Haier-LKG Electronics Company, Limited which produced refrigerators, etc. was founded in Manila, Philippines; air conditioner factory was set up in Yugoslavia; factories manufactured drum washing machines and pulsator washing machines were built in Selangor state, Malaysia; it also founded Haier factory in Pakistan in the form of joint venture with RUBA Group. The factory produced products like refrigerators, air conditioners and washing machines. Geely took the advantage of internal force to seek opportunities of global expansion: Geely signed a cooperation agreement with Mallouk, a Syrian company and then exported vehicles to Syria. In the same year, Mallouk signed cooperation agreement with Geely to agent Jordanian market.

While seeking assets and opportunities with internal force, EMFs also seek opportunities through external relations. For instance, Geely represented Chinese domestic auto brands to take part in North American International Auto Show held in Detroit, which was a historic breakthrough for China to exhibit Chinese automobiles in North American International Auto Show since 98 years it has been held. Hundreds of thousands of people have visited Geely's stands which provoked great repercussion. EMFs' making use of external relations to seek opportunities brings a more broad development space for the firm and promotes internationalization, for example, TCL Indonesia simplified customs formalities by establishing cooperative relationship with a local Chinese company, which improved efficiency of its internationalization:

RISAMANDIRI PRATAMA, located in Semarang, Central Java, is a local Chinese enterprise. It has more than 1000 people in the factory and possesses strong manufacturing capability in producing LED, LCD TV, air conditioner, washing machine, etc. It is also familiar with customs, tax affairs and local laws. Cooperating with RISAMANDIRI PRATAMA has greatly reduced operational risk. Currently, this factory can deal with all kinds of relations in production process and decrease multifarious customs formalities. Generally speaking, spare parts imported from China can be cleared by the customs the next

day, and can be used in production line only on the third day.

To sum up, internationalization is often a forced choice under triple pressure of market saturation, domestic intratype competition, competitors in developed countries grabbing market shares. Case study data in this dissertation demonstrate that under the congenital defects of technology and management, both strategic asset and strategic opportunity are critical resources for EMFs. They simultaneously play dominant roles in the first stage. Enterprises use internal resources on their own merits and acquire available external resources. Meanwhile, internal force of EMFs has positive effects on asset seeking and opportunity seeking; while external relations of firms, with no obvious correlation with asset acquisition, mainly affect opportunity seeking.

4.2.2 Evolution process of internationalization in the second stage

In previous stage, by means of various forms like inward internationalization, ownership reform, international talents' training, and getting opportunities of international channels, EMFs proceeded external expansion tentatively, and initially acquired necessary resources and capacity for international expansion. They properly absorb and use complementary assets and capacity introduced from overseas developed countries to reinforce their competitive advantages (Buckley et al., 2002). Means like inward internationalization and exploratory internationalization come with the improvement of capacity of EMFs, but with weak core competence and complementary capacity (Malik, 2008), firms from developing countries still can not break away from disadvantage of backwardness. In the second stage, with weak core competence, EMFs directly obtain key assets of enterprises from developed countries through radical springboard behavior. This form of internationalization brings direct acquisition of developed countries enterprises' technology, brands and market network, skipping procedures like exporting products via agents and establishing multinational sales company. Luo and Tang (Luo & Tung, 2007) argue that springboard behavior does bring more opportunities to EMFs, yet it will also get EMFs trapped in a difficult position after springboard. Owing to enterprises' resource constraints, EMFs make alternative selection of strategic centers between asset acquisition and opportunity acquisition in the second stage.

Firstly, by means of radical investment and mergers, EMFs seek strategic assets to get into developed markets. During this period, EMFs explore opportunities while acquiring strategic assets, which bring broader market space. In asset seeking, EMFs mean to merge critical assets of developed countries. This radical strategy supplies a fast channel for EMFs to

access to developed countries and be directly involved in the global competition, for example, Geely merged Volvo, TCL purchased Schneider, Thomson, as well as mobile phone business of Alcatel.

In September 2002, as the first attempt of internationalization, TCL International Holdings Ltd purchased Scheider Electric, an old brand appliance manufacturer in Duekheim, Germany. This purchasing gave TCL Scheider's sales network including its plants and chain stores, supermarkets, e-commerce and right to use a series of trademarks.

Although EMFs entered into developed market, their disadvantage of backwardness in technology and management is by no means changed. Radical asset seeking strategies of EMFs are accompanied by a series of "post springboard" problems, including building valid working relationships with stakeholders from host country, coordinate culture of different countries and different enterprises, organizing complicated activities over the world, integrating operations in home country and host country. These difficulties are sharpened because of too rapid and too radical leap to highly developed market (Luo and Tung 2007). Thereby, EMFs take steps in strategic opportunity. They mould enterprise brand image by various local embeddedness methods like social activity, and thus lay the foundation for political, economical and social network. Take Huawei's activities in India as an example:

On September 28th 2008, Huawei India held the event of starting "Huawei India China Foundation" in New Delhi, donating one million rupees (about 250 thousand US dollars) to Indian charity organization Deepalaya to support education for poor children. Smt. Sheila Dikshit, the chief administer of Delhi, and Zhang Yan, the Chinese ambassador to India, attended this event; in America, Huawei organized more than 80 staffs to participate in the activity conducted by local NGO, in which they donated foods to needy families. In this activity, 20 thousand dollars in total were donated by staffs who also got involved in packing and distributing foods, which made families suffering from hunger feel warmth from Huawei.

A wide range of social activities helped Huawei lift corporate image and lay the foundation of social network for its local business. Localization strategy of talents was also carried out by Huawei. As a result, its localization rate of overseas employees reached over 57%, and its employment of overseas local staff grew at over 15% annually. Talents localization facilitates communication with local market and accurate understanding of local market requirements. It is also the lubricant which lubricates the relationship between enterprise and local market, as well as enterprise with the government, and also accelerates enterprise's integration into local society.

Acquisition of more opportunities balances conflicts brought by radical merges such as

cultural integration, scarce management capacity. From the perspective of duality, keeping dynamic equilibrium of strategic asset and strategic opportunity is good for EMFs to integrate internal resources and realize long term development.

From the view of reliant forces for internationalization, EMFs depend on internal force to acquire strategic assets like core technology, brand, and market network, etc. in the second stage. For instance, TCL took over the cell-phone business of Alcatel to take over its technology, brand and market network; Haier invested in establishing industrial zone in America, thus entered into American market. When acquiring assets, EMFs also take use of internal force, such as sponsoring various local social activities, launching charities, and interacting with local users, to get chances of enhancing corporate brand image and integrating into locality.

When acquiring assets and opportunities by means of internal force, external relations possessed by EMFs are mainly applied to seek opportunity. Transferring strategic center to opportunity seeking gives a chance to mitigate and digest radical multinational activities, which is inevitable choice for enterprise to maintain balance and harmonious development under the constraints of resources. Under such mechanism, EMFs alternate dominance between the two strategies to maintain coordinated development of enterprises' all kinds of competence.

In a word, study cases in this dissertation display that regarding essence of disadvantage of backwardness has not been changed, despite entered into developed market, EMFs still have to keep balance make alternative choice between the two strategies under the resource constraints. Therefore, in the second stage, EMFs keep overall balance in and alternate dominance between the two strategic motives-asset acquisition and opportunity acquisition. Among them, strategic asset acquisition mainly depends on internal force of firms, with no obvious effect of external relations; while strategic opportunity acquisition can depend on both internal force and external relations.

4.2.3 Evolution process of internationalization in the third stage

Going through unstable springboard stage, EMFs gradually become real global enterprises who are involved in international competition. However, enterprise can not only depend on knowledge acquired from mergers to survive and develop (Luo and Tung,2007). It is the combination, integration and restructure, based on existing knowledge, of acquired capacity from external that finally determines the sustainability of global competitive

advantages (Kogut & Zander,1992). In this stage, EMFs take internationalization as a widow to acquire new knowledge and new opportunities. At the same time, they take their first steps toward independence rather than be path dependent. They start the transition to depending on internal force to carry on innovation.

After radical mergers and acquisitions, in the third stage, EMFs enter a stationary development phase in which large-scale investment and merger activities are obviously reduced and global resource integration is taken into account. As for strategic motives of internationalization, EMFs gradually transit from dynamic equilibrium in the second stage to opportunity oriented. In this stage, EMFs re-evaluate competition and cooperation relationship with global players, and establish broader enterprise alliance. For example, Haier invested in Zelanian company Fisher & Paykel's equity financing, becoming the new big shareholder of this company; Huawei made equity investment to XMOS, a technology company in Britain, for the first time to seek opportunities to expand business in the UK; Geely Automobile involved Brazilian Gandini Group into the rank of its cooperative partners. In the stage of mature internationalization, enterprises are more obligated to build wide cooperation relationship in the world, at the same time, they should be good at integrating into local network by methods such as localization, just as what was said by Li Dongsheng, the chief executive officer of TCL, in Annual Summit of China Green Companies, 2015:

Globalization of a company is not to compete with all other companies all over the world. It means getting better at establishing wonderful cooperation relationship with worldwide partners. In international business, the basic style of TCL is looking for local partners to explore cooperation relationship in locality. Regarding business management, TCL aims to realize localization. In the course of our globalization and internationalization for the past decades, we know that globalization can be successful only when we make good use of local resources, including using local management team wisely. So globalization must not be considered as competing with the world, but to cooperating with the world.

EMFs gain new development opportunity by means of establishing broad corporate alliance. Meanwhile, wide social relation embeddedment and integration in globalization give EMFs footholds in global market, and they are conducive to healthy and sustainable development of EMFs.

Since EMFs have transferred their strategic center to global opportunity seeking in the third stage, they are already equipped with core competence which is necessary for internationalization. However, what external relations can do for enterprise growth is always limited. It is impossible for a company to depend on only external relations to gain sustainable

competitiveness. In order to achieve strategic target, internal force gradually become the dominant factor in acquiring global opportunities.

In this stage, enterprises actively seek global opportunities with assistance of internal force. For example, Huawei cultivated over 1000 professional and technical talents for Cambodia. It also earnestly fulfilled Corporation Social Responsibility, including donating money and facilities worth more than 5 million US dollars to poverty alleviation and disaster relief, rural education and information development. Huawei's initiative action brought it not only good social and political relationship with the locality, but also development opportunities in local place. Cambodian Prince Hun Sen said that they would choose Huawei as their strategic partner to promote information development together. He appreciated and anticipated Huawei's participation in Cambodian information construction and cultivating talents for Cambodia.

To sum up, in the third stage, EMFs get out of "post springboard" dilemma and achieve stable development. Their strategic motive gradually transfers from radical asset seeking to opportunity seeking, and internal force of enterprise gradually dominates its development. In this stage, EMFs establish wide global relation network which is involved as a part of enterprises' internal assets. Meanwhile, EMFs engage in new competition and cooperation relationship, and they realize collaborative innovation and synergetic development through establishing broad enterprises strategic alliance. Therefore, this stage is also the procedure of absorbing, digesting and using the capacity of internationalization and gradually integrating into global political, economic, and social network.

4.3 Proposition and discussion

4.3.1 Discussion of strategic motives

International expansion of EMFs was a risky choice driven by the slow development of home country, the limited market space, the competition from multinational companies in developed countries and local counterparts and the shortage of core competence and enterprise. Because of its unique system properties and enterprise endowment, international expansion strategy of emerging market companies faced great opportunities and challenges at the same time. On the one hand, the international expansion of emerging market companies faced a great opportunity. Due to cost and scale advantage, in the process of international expansion, EMFs can not only gain more market share based on the good and inexpensive

products, but also can acquire advanced technology and management experience through international expansion, promoting enterprise's core competitiveness and winning the domestic and overseas market at the same time. On the other hand, it is a forced choice under many limited aspects that many emerging market companies went abroad to find the developing opportunity. Under inherent disadvantages in competitive, especially in technology and management ability, the internationalize expansion of emerging market corporate was doomed to be high risk preference. Although the emerging market companies had gained the ability and the resources to participate in international competition in the process of internationalization, but compared to western successful multinational companies, technical ability of EMFs in emerging markets still fell behind(Mathews & Cho,1999; Mathews,2002).

(1) In the first stage, because of the obvious characteristics of later-coming companies and the limitation of "double depend on resource" conditions, international assets and international opportunities were strategic resources which were necessary to EMFs. Therefore, in the preparation stage of internationalization, EMFs obtained all the resources that internationalization need by its resource endowment. According to enterprise endowment as well as the opportunity, EMFs chose strategic dominant of assets or strategic dominant opportunity, however, there was no specific selection rule between the two choices. So we got the following proposition:

Proposition 1: In the first stage, the EMFs got all resources which were in favor of international expansion. EMFs, in this stage, chose strategic dominant of assets or strategic dominant of opportunity according to endowment of enterprise and conditions of environment.

(2) In the second stage, through the internationalize preparation in the early stage, enterprise had completed reform on ownership and its internal organization, and accumulated a certain amount of international experience. The significant characteristic of this stage was enterprise obtained key resources according to its needs. But under resource constraints, EMFs were unable to get all the resources. Thought of dualities argued that keeping balance between two conflictive and competitive activities or behaviors had a positive impact on the enterprise innovation(March,1991; Atuahene-Gima,2005; Simsek,2009). Therefore, EMFs in this phase selected alternately between strategic assets and strategic opportunity and maintained a proper proportion with all their efforts. EMFs acquired international assets and opportunities in dynamic equilibrium of two strategies and in their alternatively dominating process, promoting the internationalization process. So we get the following proposition:

Proposition 2: In the second phase, EMFS kept dynamic balance between seeking assets and seeking opportunities, besides these two strategies dominated alternately.

Due to the defects of EMFs (including defects on management level and cultural differences, etc.), there were always some problems in the process of "springboard" and after the process of "springboard". For example, after TCL took over Alcatel mobile phone in 2004, the domestic mobile phone sales fell by 23.3%, and gross profit fell 58.6% year-on-year, the losses of the first quarter in 2005 had surpassed losses of TTE which was a joint venture in the field of color TV sets with TCL. In the third quarter of 2005, loss of TCL communication was 460 million Hong Kong dollars. In the first three quarters, TCL communication net loss had reached to 1.601 billion Hong Kong dollars, accounting for more than 80% of the total amount of group losses. Like TCL, after large overseas merge, Geely still didn't avoid the plight after the "springboard" in the second stage, entering into the trough for a long time. Under the perspective of network, the equilibrium relation of international opportunities and risks was reviewed, emphasizing that there were more attention paid to opportunities emerging and development (Johanson & Vahlne, 2009; Vahlne & Johanson, 2013). By seeking opportunities, new vitality was brought to EMFs, making it easier to get rid of the difficulties after the "springboard". However, it was easier for enterprises to establish trust in the network. The configuration of network and the embedding of relationship (embeddedness) will directly affect the appearance and development of chance (Andersson et al., 2005). Seeking strategic opportunity would make EMFs get rid of the difficult "after the springboard", and integrating into local network was conducive to exploit the opportunity. Therefore, in latter half of the second stage, the EMFs gradually changed from alternately dominant of two strategies to the opportunity dominant strategy. At the same time, in order to get more opportunities in the world, EMFs integrated into the network through behaviors such as localization, getting rid of the difficult after "springboard", and realizing globally operation. So we get the following proposition:

Proposition 3: In the latter half of the second stage, EMFS made gradually transition from keeping dynamic equilibrium between assets seeking strategy and the opportunity searching strategy to the opportunity-oriented.

Proposition 4: Localized network embeddedness brought new opportunities and was conducive for EMFS to get rid of dilemma after "springboard".

(3) In the third stage, after the turbulent strategic balance and alternating process in the early stage, internationalization operation of EMFs gradually stabled and had reached the international advanced level in aspects such as technology and management ability and

market network. From the view of assets, it had reached to a more saturated state. At this point, enterprises in international market connected with each other and presented the diversity and complexity of network structure. Due to the extension and the hidden structure, there were great potential in expansion and growth for EMFS to embed in the internationalized network (Kali & Reyes,2007). Under the background that the asset type strategic expansion had reached its limitation and it was hard to find more space. EMFs can realized enterprise potential, gained more developing space, or consolidated existing status by establishing the extensive cooperation between enterprisers, society and the government. All these behaviors were conducive to realize a more stable operation of globalization. As a result, EMFS completely transferred to the strategic opportunity dominant at the third phase. Supported by embeddness in global networks, EMFS continued to expand international results. So we get the following propositions:

Proposition 5: In the third stage, EMFS had showed strategic dominant of opportunity seeking

Proposition 6: Global network embeddness was beneficial for EMFs to again more developing space or to consolidate the existing status achieving more stable global operations

4.3.2 Discussion of the relied-on strength

Although EMFS were still relatively backward in technology and management, they had received considerable resources and ability in the early stage on the basis of internationalized orientation; emerging markets were forced to go abroad by using the existing resources. EMFS gradually achieved strategic goals in the process of international expansion with various resources endowment. According to Uppsala network model, as a product of market commitment and trust building, network played an important role for enterprise in finding and seizing the opportunity.

EMFS were good at using relation network to conduct geological integration and improving enterprise performance. But from the point of case and events in this article, EMFs, in various stages, obviously tend to dependent on the internal forces to acquire assets and opportunities. Besides, external relations can help EMFs to find more opportunities. At the same time, we also found that the internal organization ability, technical skills, financial strength and other factors determined the ability of EMFs to acquire assets. Therefore, assets seeking strategy of EMFs mainly depended on the internal force of the enterprise. So we get

the following proposition:

Proposition 7: EMFS conducted assets seeking strategy mainly by internal forces; the effect of external relations was not obvious

Coviello & Martin(1999) argued that formal and informal relations from the external relation network influenced the international market of enterprise and its choice of entry mode, and they also affected the product development and market diversification. So the relation network had positive effect on EMFs' opportunity acquiring, and this relationship network was a kind of external forces. On the other hand, enterprise cannot obtain sustainable competitiveness just dependent on the external relations. In the process of international expansion, EMFS need to search new opportunity initiatively to achieve the sustainable development of the enterprise. The internal power from the enterprise can make this strategy come true. Internal forces and external relations, therefore, have a positive role on EMFs to obtain strategic opportunities. So we get the following proposition:

Proposition 8: EMFS promoted opportunity seeking strategy through the internal forces and external relationships simultaneously.

From the perspective of Dualities, two contradictory elements transformed to each other through some mechanism, and finally realized the coordination and unity. EMFs, in international expansion, can transfer external power relations into interior ability of enterprise through experience learning and knowledge absorption, and enterprises can embed into the global network by internal capabilities, bringing the opportunity of developing external relations. EMFs promoted the acquiring of key assets and opportunity by mutual transformation of internal force and external relations, so as to promote the internationalization process. We get the following proposition:

Proposition 9: Forces of EMFs in internal and external relation can promote and transform to each other; they worked together to promote acquiring of the key assets and opportunities, accelerating the internationalization process.

4.4 Summary of this chapter

On the basis of the data in this chapter, through analysis of event path and process, we summed up the general laws of motivation and the dependent strength in the process of EMFs internationalization. Finally discussions were conducted and relevant propositions were put forward.

Chapter 5: EMFs International Expansion Process Mechanism: External Links with Alternating Dominant Strategy

The fourth chapter analyzes the evolution paths of EMFs internationalization motives and the relied strength, discusses the process and rule. This chapter will rise to the high internationalization process mechanism and its characteristics for further discussion. This article argues that, from the perspective of resource dependence, the internationalization of EMFs is essentially a process continuously obtaining external resources to make up the later disadvantage. EMFs internationalization, therefore, can be seen as a means to link international asset and opportunity, producing the link lever linkage effect, so as to stimulate the necessary resources leading the enterprises to develop and promoting its internationalization process. Through the study of EMFs linkage in each phase, link lever linkage effect and the alternate dominant strategy, on the basis of the 'LLL' model, from the perspective of resource dependence. This chapter reveals the mechanism of international expansion process and its essential feature.

5.1 EMFs internationalization process: link and leverage strategic assets and opportunities

Market failure theory argued that the internationalization of enterprises is the organization taking advantage of their specific power to get excess rent from overseas markets. In essence, an organization must have enough advantage condition to eliminate the inadequate understanding of foreign markets. This advantage conditions must be enough to overcome certain advantage conditions of national organization on the basis of the asset (Stephen Hymer,1960). However, due to the inherent technology and "double depend on" conditions of market resources, EMFs had no clear superiority condition. Compared to transnational enterprises using its powerful mother country resources for international expansion in developed country, EMFs technology ability is weak. Lacking of resources in international expansion, such as the technology and brand in the developed countries, EMFs must dependent on new asset acquisition, learning and ability build in international expansion(Deng,2009). For late entrants (latecomer) and new entrants (newcomer), the key

point of departure is able to obtain the advantage of resources from outside rather than focusing on their own advantages(Mathews, 2006).

Under the background of "double depend on" resources, international expansion laid a foundation as a means of effective links to external resources and access for the enterprise key assets with opportunities, making up the disadvantage of backwardness. This international links are stimulation to the strategic assets or the chance that enterprise need, making EMFs got access to key assets from superior enterprises in developed countries, not only enhancing the international competitiveness of enterprises, but also completing the preparation of international expansion. This international links stimulate the EMFs strategic asset and opportunity. It is absorbed and digested by the organization in the process of internationalization. Through translated into internal ability, it improved the international experience. Promotion of the internal ability gave EMFs more opportunities to leverage the internationalization strategic assets and opportunities, and this kind of action brought more opportunities for international links EMFs external links, therefore, lead to a linkage effect. Its international expansion can be thought as a stimulating action: from a starting point, EMFs stimulated the whole resources warehouse. At the same time, link and leverage behavior is evolutionary; links brought leverage behavior and leverage behavior brought more opportunities to link. In the act of the links and leverage behavior, EMFs accumulated knowledge and experience and enhanced its internationalization operation ability. Linkage effect process made the enterprise learn this kind of operation ability more effectively (Mathews, 2006).

Our data show that the international expansion process of EMFs is essentially a process to establish international links and stimulate strategic assets and opportunities. This process is ganged and gradually. In the process of internationalization, through continuous organizational learning, EMFs gained international knowledge and experience making up the disadvantage of backwardness and it finally realized the internationalization strategic objectives. According to data in this paper, the different internationalization stages shows different characteristics: (1) the first stage: EMFs established international links stimulating external assets and opportunities; obtained capacity and resources to enter the international market preliminarily; (2) the second stage: EMFs established international links stimulating external assets and opportunities; obtained capacity and resources to compete with the developed countries; (3) the third stage: EMFs established international links to stimulate more global expansion opportunities. All in all, by constantly learning in international expansion, EMFs obtained the necessary knowledge and experience, making up the

disadvantages of backwardness. Next, we will discuss case analysis for each process more in detail.

5.1.1 The first stage: technology promotion and international experiencecultivation

Under the background of the fierce competition in the industry and the limited domestic development, EMFs with certain ability and conditions began to seek new development opportunities from the international market. Because of weak technology and market operation ability in the first stage, EMFs tend to adopt a "step-by-step, easy first then difficult" development strategy and popularized their own products and services starting from underdeveloped countries markets. As the first phase of the TCL international expansion process shows:

TCL is a large state-owned electrical appliances enterprise, under the vicious price competition among domestic appliance giant at the end of the last century, the electrical appliances enterprise faces huge pressure to survive. As result, TCL domestic development is heavily influenced by constraints. Therefore TCL choose to open up new markets, the early main goal is to develop international business and to expand overseas markets. 1999 TCL International Holdings Limited listed in Hong Kong and began to expand overseas market from a TCL international division. It adopted a "step-by-step, easy first then difficult" development strategy to gradually establish its own sales network through promoting its own brand products in southeast Asia, the Middle East, eastern Europe, South Africa and other emerging markets in developing countries. At the same time, TCL entered and stationed in Southeast Asian countries and Russia. It also entered into the Middle East, Africa, Australia, Latin America, the Far East and other countries and regions through the way of OEM in order to get more product sales opportunities. The first stage, through the developing in emerging markets which is mainly composed of developing countries and the establishing of a preliminary international sales network, TCL motived the external assets and opportunities. Through above international behavior, TCL built up the links to the external market network, broke through trade barrier and accumulated internationalization experience. All of these efforts created the conditions for its further open in the international market.

Different from TCL, Huawei, in order to get the advanced international management skills, established international link to leverage external assets. In the mid-1990s, most of the manager in Huawei Company had optimistic prospects. Ren Zhengfei was aware of that the development of Huawei has serious limitations. According to his opinion, Huawei mainly

lacked the specialized organization knowledge and the feasible long-term strategy. Ren Zhengfei realized that the best way to overcome the limitation of Huawei is to learn from the first-class companies in the west. As a result, from 1998 to 1998, Huawei invited IBM international business machines corporation to provide management consulting services and conducted restructuring according to template companies in the United States. Under the guidance of IBM, Huawei changed its management system and product development structure obviously. Ren Zhengfei, put research and supply chain management in the first place by using the integrated product development (IPD) of IBM and integrated supply chain (ISC) model. After found that investment in research and development of Huawei is 1/6 of that invested by IBM, Ren Zhengfei required that Huawei must master the IBM's integrated product development method. In addition, Huawei also adopted the integrated supply chain model, because its supply chain performance is well below the potential level it can achieve. Through establishing links with IBM, Huawei, kick-started the external advanced management system and introduced it to the enterprise successfully, enhancing the international competitiveness of enterprises.

Through the establishment of international link to leverage external assets, Geely Automobile acquires advanced technology capacity. On December 16 and 23 in 2002, Geely group signed comprehensive technical cooperation agreement with the Italian car project group and South Korea's Daewoo international corporation in Shanghai and Ningbo. Geely group revealed to the world that the cooperation agreement involved more than \$70 million. Geely chairman Li Shufu, proudly told reporters after the signing ceremony: "Geely will create Chinese favorite cars possessed Chinese culture and the world high level through cooperation with world leading automotive design and manufacturing enterprise." Technical cooperation with foreign leading companies made up the disadvantage of Geely automobile technology. After the cooperation, new products have a qualitative leap compared to existing products. Geely's chief executive, Xu Gang revealed: "Geely is willing to work with manufacturers, research institutions and professional design joint venture cooperation all over the world to master advanced technology. At present, these two technological cooperations are the first step of Geely's foreign cooperation; there will be more news on this in the future." By establishing links with the developed country and developed new products together, Geely automobile improved their technology and product competitiveness greatly.

By links to external market network, TCL broke through trade barriers. However, Haier is a household appliance industry which predominantly produced and sales electrical appliances production. By taking advantage of preferential investment policies and

establishing factory, Haier was able to avoid trade barriers. Haier believes that investment in overseas factories can get higher value than product sales. In December 1996, Haier has established the first overseas joint production enterprise- Haier Sally Paul (Indonesia) co., LTD -producing mainly refrigerator in Jakarta, Indonesia. Haier Sally Paul (Indonesia) co., LTD marked the beginning of Haier's manufacturing internationalization. Later, Haier seized opportunity to investment abroad at Southeast Asian economic crisis, quicken the steps of the investment in this area and set up factories in several countries continuously. At the first stage, through investment in factories in developing countries, Haier won the countries preferential investment policies and opened the local market at the same time, clearing the obstacle for the entrants of its products.

In conclusion, among international cases in this article, TCL broke through trade barriers by establishing international links to get preliminary international sales network. Through the establishment of international links, Huawei got access to the advanced management system and the advanced international management experience; similarly, through the establishment of international links, Geely developed new products with enterprises in developed countries and obtained advanced product technology; Haier avoided barriers and obtained product sales opportunities through the establishment of international link and built factories based on the preferential investment policies. Therefore, in the first phase, through the establishment of international links, EMFs kick-started the external assets and opportunities, which laid a foundation for further international expansion. We can illustrate this feature by the following framework:

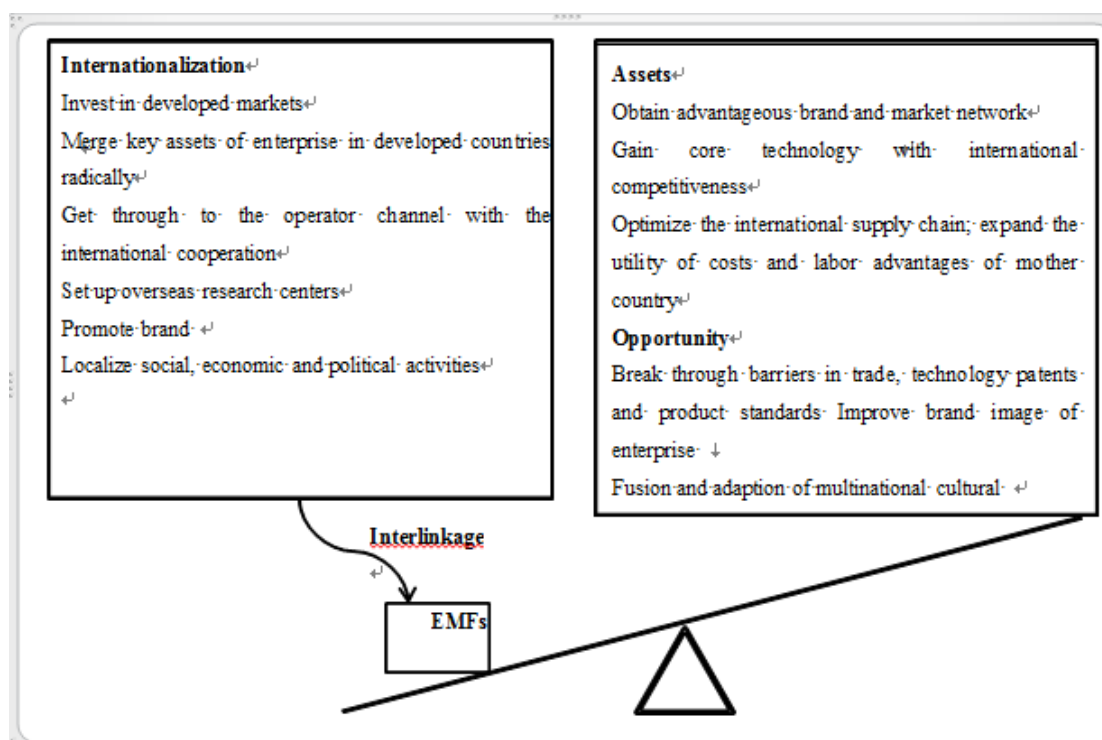


Figure 5- 1: The internationalization process in the first stage

5.1.2 The second stage: investment and mergers, research and development overseas, localization

In the previous stage, EMFs leveraged the external assets and opportunities through international expansion. To some extent, it made compensation toward the backwardness disadvantages. While EMFs ability promotion were brought by methods of facing internationalization and exploring internationalization, Companies in developing countries with weak core and complementary ability still can't get rid of the disadvantage of backwardness. In "double rely on" condition of technology and market, in order to enter into developed markets more accelerately, EMFs gained key assets of enterprises in developed countries by means of radical methods. Such as the process of TCL merger Alcatel:

On April 26, 2004, TCL had announced to build a joint venture with France's Alcatel T&A, engaging in research, development, production and sales of mobile phones, related products and services. The acquisition purpose of TCL Company was to set up international competitiveness that made it can compete with world-class companies within 3-5 years through its development, merger and reorganization. The joint venture was a key step to enter the international market. Alcatel group would put all the intellectual property rights existed in current mobile phone business into the joint venture company. Therefore, it can reduce the intellectual property costs and expenses of company's mobile phone business; improve the

competitiveness of its remaining mobile phones business. Through a joint venture with Alcatel group, the company's mobile phone business would expand quickly at a lower cost. At the same time, it pushed mobile phones products into the international market by using the brand, mobile marketing channels and networks which was established in the global by Alcatel group. So, in the second phase, through the establishment of international links, TCL not only kick-started key assets such as brand, technology, channels in the developed countries, but also broke through the developed markets trade barriers.

While establishing international links and leveraging the key assets, such as brand, channel and advanced technology, radical Mergers and Acquisitions brought many problems. These problems included fusion of enterprise culture, low level of international business management, digestion and absorption of the core technology, integration and optimization of the global supply chain. EMFs promoted the corporate image and brand perception by building links with territorial market and carrying out marketing campaign or social donations. Just as Zhang Lin, vice President of Geely automobile group, had said in media interview:

“Our idea is very simple. We will do our best to establish good local brand image of Geely from all aspects. If we cannot achieve that, then we prefer to do nothing at all.”

Meanwhile, through the establishment of research and development center, EMFs linked up our products and services with local market. As Zhang Lin stated:

“We did our best in the aspects of product quality, price designing and advertising. And we researched the market actively; study the needs of the consumers; produced and designed the products that meet the demand of local consumers. We believe that with such lasting input, Geely would have a significant promotion of its markets brand image in overseas.”

By building links with the local market, EMFs leveraged win-win situation between enterprise and local users, making the enterprise jump out of the dilemma that didn't adapt to the local operation after "springboard". It had brought opportunities for its integration into the global market and its acquisition of sustained competitiveness. Such as the huge sale success of Haier products in the global marketing cannot be achieved without "local classic ":

Among several big economic regions in the world, brand promotion of Haier was accompanied by the innovation of "local classic ". In the United States, freestyle wine of Haier fill the gaps in the American market and became a part of the middle class lifestyle; In Europe, Haier refrigerator won with leading technology advantage, it was one of the three global brand that firstly launched a full range of A,A +, A + products to the European market; Haier inverter air conditioner got Europe's "energy star" reputation; In Japan, Haier had a washing machine product that occupied the biggest local chain and remained the most popular

products at the top of the position; in South Asia, Haier was approved by the market through producing washing machine which can wash big robes of 15 kg; In Africa, Haier launched refrigeration products series that 100 hours did not defrost which sales first in the local market. New "classic" of Haier's global market development appeared frequently for these classic were based on the principle of win-win between Haier and local users: Through innovation, Haier understood and met the user requirements that cannot be met by others. The purpose to provide solutions for the local consumers and to increase the quality of their life made Haier achieve consistent in contradiction with the interests of the consumers.

To sum up, in the second phase, EMFs proceeded aggressive investment, merger and acquisition; set up R&D center and carried out local activities in developed markets. Regard these internationalization activities as a means of linking, EMFs leveraged the enterprise assets and opportunities, such as advantage, technology, brand, market network and so on. In the second phase, took advantage of links and leverage effect, EMFs acquired and melted key assets derived from developed countries through investment or acquisition. On the other side, EMFs integrated into the local market and improved the enterprise global operation ability. This feature can be illustrated by the following framework:

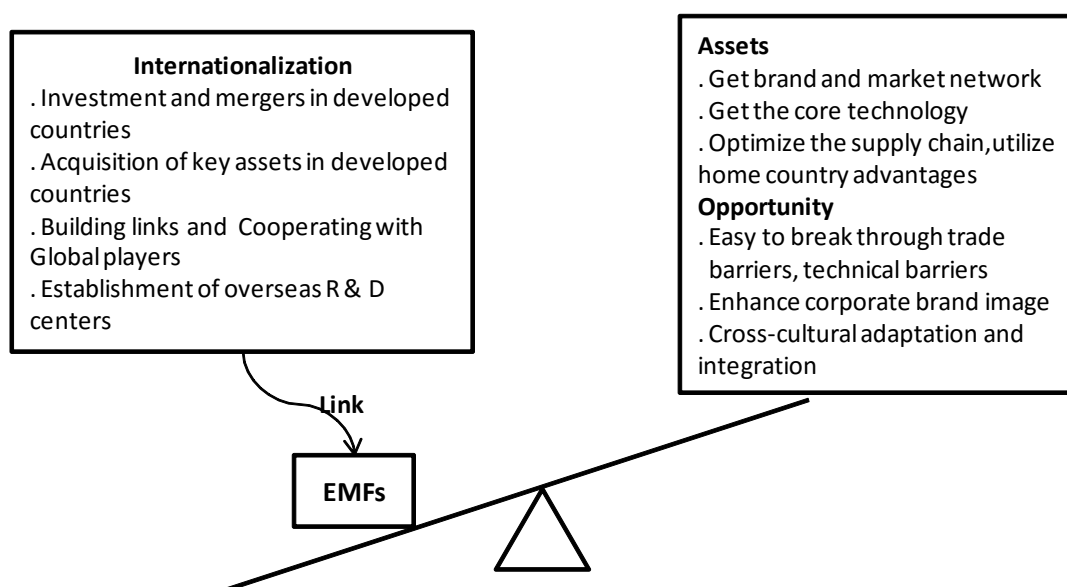


Figure 5- 2: Internationalization process of the second stage

5.1.3 The third stage: Resource integration, competition and cooperation relationship and global network composition

After the acquisition and absorption of key assets in the second stage process of international expansion, EMFs grew to a global company with certain competitiveness and

started to compete with the developed countries. However, globalization requires intensive cultivation. Obviously, enterprise cannot obtain sustainable competitiveness by the purchased core technology, brand and market network as well as the simple activities conducted in annexed territory. In the third stage, through the global resources integration and optimization, reviews on global competition relation and composition of global political, economic, and social network, EMFs moved a broader opportunities for global competition and improved the capacity of global operations.

The integration of global resources and optimization would be introduced firstly. On the basis of acquiring the core technology and breaking through trade barriers, EMFs leveraged a wider range of opportunities around the world by establishing a global link in order to maximize utilization of home cost and scale advantage. As Huawei strategic Marketing president Xu Wenwei described:

“The great age of the full connection is coming. Globalization had entered into a new developing stage of connecting closely and cooperating openly in both countries, industry organizations and individuals. Huawei will take advantage of innovative technology accumulation and integrative global resources; build the full connection world ecosystem by cooperating openly with customers, partners; promote ICT transition of operators and enterprises; realize the sustained and healthy development of industry.”

On the basis of established links, EMFs globalization and localization had become a unified concept increasingly. At forum session of the APEC (APEC) business in Qingdao, Huawei vice chairman and rotating CEO Hu Houkun said:

“In current business environment, capital, material, talent and knowledge conveniently flow in the world, information technology highly developed, making the "globalization" and "localization" are becoming more and more unified which used to be two separated concepts”

Secondly, by establishing links with global rivals and re-examining co-competition relationships, EMFs leveraged the broader global cooperation opportunities within enterprises. Globalization had deepened increasingly now, enterprise cannot defeat all its competitors and there is no enterprise can satisfy all the customers' demands. Therefore, dialogue was better than against and competition was better than competition. Such as the concept "dance with wolf" proposed by Zhang Ruimin, he argued that:

“Now a pack of wolves has come rather than the Wolf. We said that we danced with wolf in the past, now it should be changed to a new sentence .cooperation and win-win with wolf”

While integrated the resources and established a new cooperation and competitive relationship, EMFs leveraged global political, economic, and social networks through

international link.

In terms of political relations, EMFs not only built a favorable government-enterprise relationship with local government, but also grew to be the bridge and between mother country and the affiliated territory; for example, Haier, developed Lao electronic dictionary with Lao government and the local trade company Amazing group, then it carried out all-round cooperation in the field of education, science and technology; in terms of economic and social relationship, EMFs participated in territorial social economic activities more positively, at the same time, EMFs implemented talent localized strategy, purchase localized strategy and operation localized strategy and establish extensive social relation network. Such as, “2011 intelligent transformation roadshow” of Huawei Technologies Co Ltd inaugurated magnificently in Stone exhibition center located in Santiago, Chile. De La Cruz, the chief priests of Chile Foreign Ministry, Nunez and other government officials of management department of communication development fund, high-level of major local telecom operators, such as ENTEL, MOVISTAR, and Chinese ambassador to Chile Lu Fan had been attend the show on invitation. It is easier for EMFs to leverage the new developing opportunity by establishing a wide range of link relations with government officials, industry leaders and partners, at the same time, EMFs can also gradually enter into the social networks of territory.

In conclusion, at the third stage, the extensive internationalized network links had made EMFs integrate global resources, re-examine competitive relations, keep a foothold global market and be in win-win situation with wolf. Therefore, EMFs leveraged the extensive international opportunities by establishing international links. And grasp of opportunity led to a more extensive global link, all of these contributed to the realization of the international corporation goals of sustainable and healthy development. The process can be expressed by following picture:

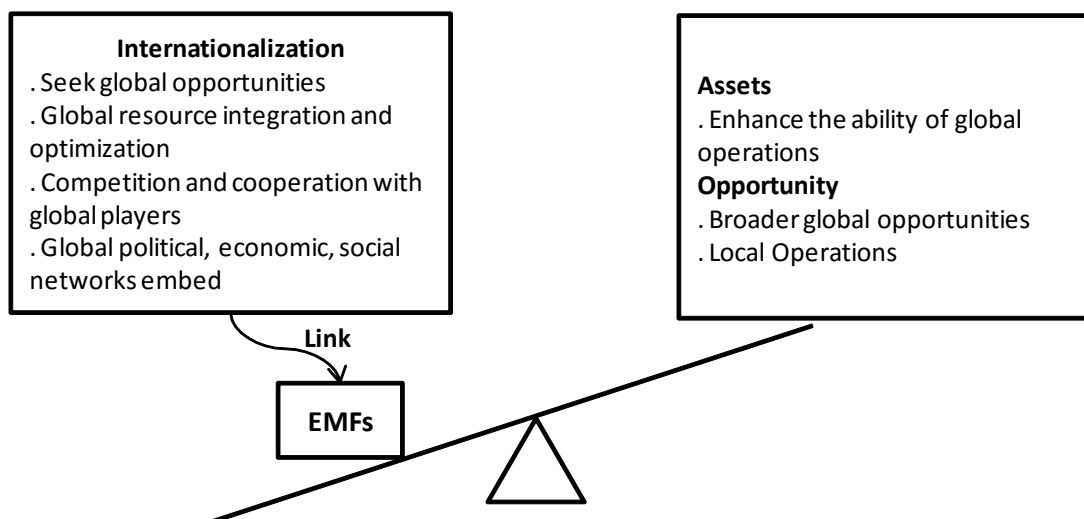


Figure 5- 3: Internationalization process of the Third stage

5.2 Internationalization process of EMFs: Alternately dominant strategy

Our data show that with the complement of internal and external resources and the enhancement of its ability in the process of internationalization, the international strategy of EMFs changed actively in different stages. For them, asset seek strategy or opportunity seek strategy depends on the degree of enterprise internal demand for all kinds of resources. Under the background of congenital disadvantage, it is a great challenge for EMFs to succeed in the international market, so correct and flexible strategic choice is very important to deal with this challenge.

(1) First of all, EMFs assets seek strategy and opportunities seek strategy existed at the same time. The two strategies shifted and alternated with the change of enterprise external environment.

A situation is that limited resources forced EMFs chose its strategy periodically, making strategy dominate alternatively. Because disadvantage of backwardness of EMFs in the whole process still didn't get changed, limited enterprise resources forced them to select their strategic focus in aggressive international expansion. In its early period, TCL factory need to avoid major capital risk caused by investing abroad and it also need to get access to overseas market channels. Then, it choose opportunity seek strategy as its dominant strategy. Through agents or sales subsidiary, it entered into the market in developing countries and achieved its purpose; after a period of international operations, TCL acquired preliminary internationalized experience and operation ability. At this time, the simple export trade cannot meet the requirement of the international strategy. In order to further promote internationalization pace,

get the core technology, brand and market network, TCL's strategic emphasis has shifted from opportunity seek to assets seek, namely it promoted enterprise core ability by acquiring key assets with investment and merger of the enterprises in developed countries; faced with the culture integration, technology absorption and digestion of "springboard" enterprise, TCL shifted its strategic emphasis to the opportunity seeking. It promoted the core management ability and the brand image through localization and integration within enterprise, making the enterprise get out of the dilemma.

Another situation is that EMFs transferred strategic focus initiatively to keep balance of strategic assets and opportunities, forming alternately dominant strategy. Such as Geely merged Walmart and got key assets on technology, brands and sales network. In response to the capital and multinational management difficulty after the merger, Geely changed its strategic focus to the opportunity seeking. By promoting communication and humanistic care, it realized culture fusion of multinational enterprise and got out of the plight of transnational management. As Geely chairman Li Shufu stated:

"Someone asked me the successful fusion on Walmart of Geely relied on what. My experience is that it relied on communication and mutual trust; on legal compliance; on harmony in different Chinese and its culture; on good communication established with trade unions; on be honest in the same boat with trade unions; on respect toward the mature commercial civilization and strict management objective; on delegating powers to lower levels effectively and giving full permission to management to play the "master action"; we encouraged communication of ideas and emphasized the humanistic care involving constructive suggestions with 'Harmony but Difference'. And we ensured that enterprises developed sustainable along the settled strategic orbit."

In conclusion, under the condition of resource constraints, EMFs can achieve the phased goal and maximized the enterprise utilization of limited resources by alternatively dominant of two strategies.

(2) Second, EMFs assets seeking strategy and opportunities seeking strategy can be converted mutually.

Assets seeking strategy can improve enterprise's core technology, market network and the internal organization management ability; Opportunity seeking strategy made the enterprise enter into the earthly society, promote the enterprise image and gain more support from local government and society. From the perspective of the dualities, strategic assets and strategic opportunity was not completely opposite. But they were the mutually promoting relationship. Asset acquisition brought opportunities, and seeking opportunities help to digest

and absorb the assets resulted from radical merger.

The fact Assets seeking strategy and opportunity seeking strategy dominated alternatively and continuously can lead the conclusion that EMFs had dualities in choosing strategy. According to dualities thoughts, keeping balance between behavior and performance which conflicted or competed with each other had a positive impact on the enterprise innovation and achievement (March, 1991; Atuahene-Gima, 2005; Simsek et al., 2009). Lavie et al.(2011) showed that the enterprise can balance the dual behavior across different fields, that is to say, exploration in one field of enterprise can be used to compensate the utilization in another field. Therefore, four enterprises in this study had always try to keep a proper proportion between pursued assets seeking strategy and opportunity seeking strategy. By learning and absorbing international knowledge and experience in the external resource links, EMFs can eventually compensate defects of one kind of strategy through another strategy.

Four enterprise in this article focuses on obtain of assets and opportunities.They promoted the internationalization process of EMFs by keeping balance on assets seeking strategy and opportunity seeking strategy. These two internationalization strategies dominated alternately and step by step.

In conclusion, alternately dominant process of internationalization strategy EMFs can be described with the following models:

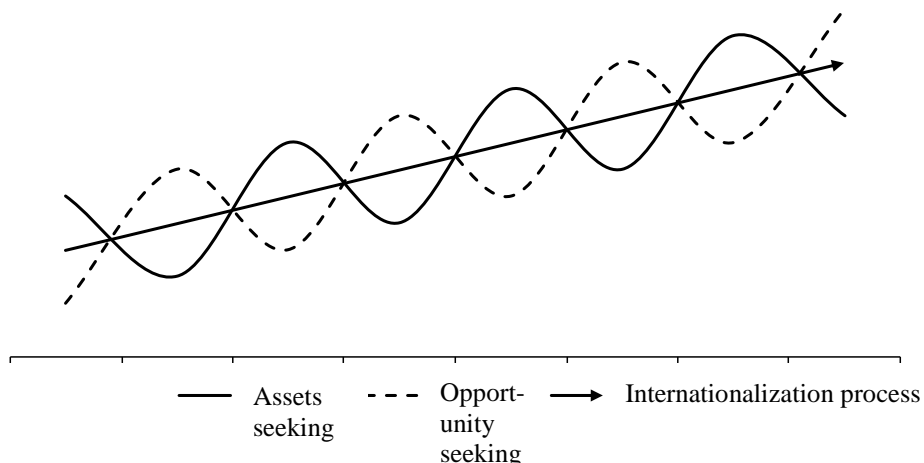


Figure 5- 4: Alternately dominant process of internationalization strategy

5.3 EMFs' internationalization process: framework of associative links and alternately dominant strategy

EMFs international expansion is a risky choice driven by the following three pressures:

(1) economic development in domestic had been slow down and market space was limited; (2) competition from transnational enterprises in developed countries and local counterparts; (3) deficiency in its core competence. Because of its unique system properties and enterprise endowment, international expansion strategy of emerging market companies faces great opportunities and challenges at the same time. On the one hand, the international expansion of emerging market companies faces a great opportunity. Due to cost and scale advantage, in the process of international expansion EMFs can gain more market share through good and inexpensive products. At the same time, it also can possess advanced technology and management experience through international expansion. All of these will promote enterprise's core competitiveness and make it win the domestic and overseas market. On the other hand, to a great extent, the "go abroad" behavior of emerging market companies is the forced choice under the limitation in many aspects. Under inherent disadvantages in competitive, especially in technology and management ability, the internationalization of emerging market corporate expansion is doomed to be choice of high risk preference. Emerging market companies obtained the ability and resources to participate in international competition in the process of internationalization. However, compared to western successful transnational enterprises, technical ability of latecomer firms in emerging markets still lag behind (Mathews & Cho, 1999; Mathews, 2002).

Under "double depend on" conditions of technology and market resources, it is not realistic and unsustainable that EMFs wanted to obtain a global competitive advantage by relying just on access getting resources from outside. According to data in this paper, EMFs regarded international expansion as an external link. Through the links to external resources, EMFs stimulated and obtained the core assets; At the same time, our data shows that, this kind of links and leverage produced a linkage effect, namely the link itself brought new links to leverage the new assets and opportunities. The essence of linkage of the links and leverage is the accumulation of enterprise learning and the absorption of the knowledge about internationalization process and experience. By international expansion, EMFs leveraged and linked external resources. In this process, EMFs continuously learned and absorbed knowledge and experience of the internationalization in order to make up the disadvantage of backwardness and realize the goal of internationalization.

Here, we described the international expansion of EMFs by using a frame based on international links and alternately dominant strategy:

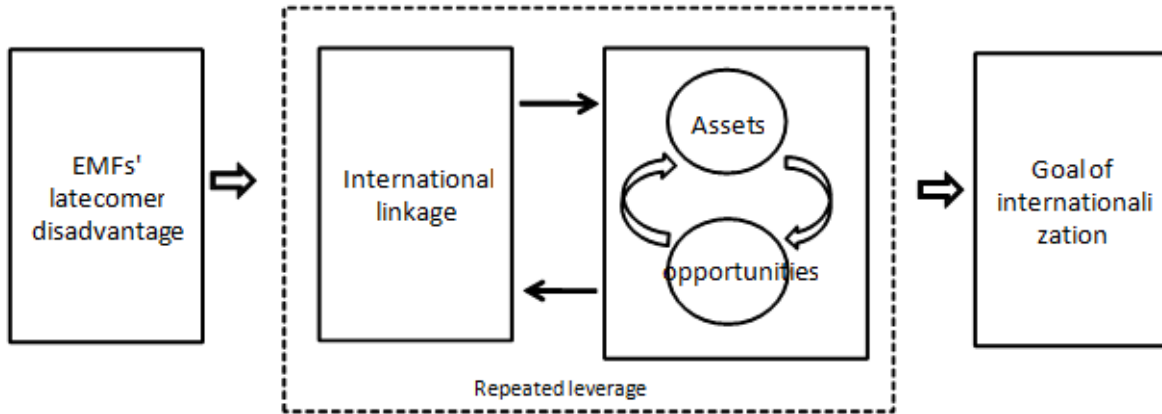


Figure 5- 5: The internationalization framework based on international links and alternately dominant strategy

Chapter 6: Discussion and Summary

Researchers in management science academe always hope that their research results can have a greater influence on management of enterprises. However, most of the time, "managers always ignore their opinions"(Skapinker,2011). The reasons on the one hand is the disjunction between theory fields and practice fields, on the other hand is that the methods depended by them are different. Generally, academic circles use the existing historical data to explain the past things, while managers hope to use forward-looking data to create the future (Ramamurti,2009). There is no doubt that in this thesis, it also tries to provide a reference for top managers of Chinese enterprises to make internationalization decisions in future through excavation and analysis of past data for it agrees the opinion of Mark Twain that "History never repeats itself, but it rhymes" in this thesis. ”

The important feature for current economic globalization is the transnational flow surge of product, service, capital and labor. With a series of measures (such as "market for technology", "going out" and actively joining the WTO) previously put forward by Chinese government, Chinese enterprises are gradually integrated into the world economy. China becomes not only a main destination of global FDI, but also generates some competitive multinationals in recent years and carries out investment on a global scale. That is to say that Chinese multinationals are products of internationalization. And the international behaviors of these enterprises are similar to those of EMFs. Therefore, situations of EMFs are necessary to be used for reference in this thesis, and proper expansion and extension for these similar theories are conducted to better explain and predict objective realities suitable for Chinese enterprises.

Through the discussion in the first six chapters, relatively systematic and deep analysis has been carried out in this thesis for internationalization behaviors of Chinese enterprises. In this chapter, it will summarize the above research contents, set forth the main conclusions of this thesis, theoretical contributions and practical significances of the research, describe the limits and deficiencies of the research, and finally give the direction for further research.

6.1 Main conclusions of the research

On the background of economic globalization, internationalization is gradually becoming

an important strategy for enterprises to seek competitive advantages and achieve sustainable development (Chen Jin et al., 2012; Zeng et al., 2012). As an important resource acquisition and learning channel, internationalization has become an important open innovation strategy of enterprises. It is of strategic importance for enterprises to improve their innovation ability and catch up industrial incumbent. In this thesis, the four Chinese enterprises are taken as case enterprises. It studies the strategic evolution process and features of Chinese enterprises in the internationalization process, and based on the ambidexterity theory, explores the balance relation between the resource dependence dimension and strategic motive dimension. In this thesis, it first summarize the research overviews of business internationalization and international expansion of EMFs; second, it explores the strategic evolution rules of EMFs and puts forward topics through event path analysis and process analysis methods; third, it discovers the co-movement link and strategic alternating leading features in the international expansion process of EMFs, and puts forward a process model for description.

Through the analytic demonstration in this thesis, the following main research conclusions are obtained:

First, there is a regularity summarization of EMFs internationalization motives and dependable forces: (1) on the first stage, EMFs obtain all the strategic resources which are help for international expansion; on this stage, it depends on natural endowment of enterprises and circumstances at that time to select the asset-seeking strategic leading method or opportunity-seeking strategic leading method; (2) on the second stage, EMFs continuously maintain their shifting balance and alternating leading positions between the two strategies of asset seeking and opportunity seeking; (3) on the latter half of the second stage, EMFs gradually transit to opportunity orientation in the shifting balance process of asset-seeking strategy and opportunity-seeking strategy; (4) localized network embeddedness can bring new opportunities and help EMFs to get out of "post-springboard" trouble; (5) on the third stage, EMFS show the opportunity-seeking strategic leading feature; (6) the global relation network embeddedness is helpful for EMFs to get re-growth space or cement their current place and achieve more stable global operation; (7) EMFs drive their asset-seeking strategy mainly with help of internal forces with little help from external relationship; (8) EMFs drive their opportunity-seeking strategy with help of both internal forces and external relationship; (9) the forces of external relationship and the internal forces of EMFs can promote and transform to each other mutually; they jointly drive the acquisition of essential assets and opportunities and promote the internationalization process.

Second, an international co-movement link and alternatively leading strategy framework

for EMFs is put forward in this thesis. It indicates the essence of internationalization of EMFs: (1) EMFs obtain external resources and opportunities by establishment of link in the internationalization process; (2) there are two alternatively leading strategies of asset seeking and opportunity seeking in the internationalization process of EMFs and both of the two strategies promote the internationalization process; (3) the internationalization process of EMFs is in essence a process learning and absorbing external resources through the co-movement link and alternatively leading strategies and making up the late-developing disadvantages, so as to achieve their globalization strategy objectives.

6.2 The theoretical contribution and practical enlightenment of this study

This paper regarded the international expansion of companies in China as the breakthrough point, and it also regarded exploring strategic motives and relied strength of the internationalization as the guidance. From perspective of EMFs' "springboard", this paper revealed strategy evolution regularity and characteristics of the Chinese enterprises in the process of internationalization. It has a certain exploratory toward theoretical frontier and pertinence of practical problems.

6.2.1 Theory contribution

There were three theory contributions in this paper.

Expand the theory boundary of enterprise resources and enterprise internationalization growth

Most of previous research involving enterprise resources and enterprise internationalization were based on the resource-based view and directly study the internal resources of enterprise internationalization growth (Bloodgood et al.,1996; Andersen & Kheam,1998; Westhead et al.,2001). Then attention paid to the influence that enterprise external resources had on international was not enough. Resource-based theory considered that internationalization growth ability of enterprise depended on its own resources, and enterprise without internationalization intentions had weak resource base relatively. Besides, on the direction of the internationalization growth, companies tended to enter market that the demand and their resources were matched (Andersen & Kheam, 1998). However, this theory focus too much on enterprise internal resources, it neglected that the external reliable resource was important to international growth of enterprise. In fact, generally speaking, EMFs had limited self-ability and weak resource base. They need to make up for their own inadequacy

by the assistance of external strength. For example, some scholars found that the system connection of the home country would help EMFs "go abroad"(Yiu et al.,2007). From the perspective of resource dependence(Pfeffer & Salancik,2003), system connection made the enterprise operate the dependable resource in the market. This kind of connection was especially important in emerging economies such as China (Cai, 1999). This study considered the internal and external resources which were available as the driving force of Chinese enterprises in international expansion and got rid of the simple logic framework of "internal - international" in the past. Some study found that Chinese multinational companies had conducted international expansion in the process of internationalization with the aid of a large number of external resources (for example, political resources), and those companies took advantage of the obtained external resources to seek opportunity in the international market. In other words, Chinese multinational companies is not "multinational company" in the true sense. Therefore, research mentality and the conclusion of this article had been beneficial complements to the study on the driving force of Chinese enterprises international expansion.

(2) Developed internationalization strategic motives of EMFs

At present, under the influence of mixed intention derived from perspective of strategic intention, scholars in the international business field studied the dual characteristics of EMFs' international expansion. This Dualities mainly considered assets seeking (exploration) and utilization of assets, for ensample, conducting assets seeking (exploration) made up the disadvantages while leveraged existing resources and took advantage of market opportunities (asset utilization) (Luo & Rui,2009). Based on "springboard" perspective, this article held that, in addition to the assets seeking, the opportunity seeking can cover more the half strategic motives of EMFs' international expansion. Such as, the internationalization of Chinese enterprises was to enter the niche markets in the developed countries or to avoid the limitation of system of home countries, which obviously cannot be summed up by asset utilization. From another perspective, some opportunities seeking of EMFs were for purpose of "go abroad". For example, got support from home government. Because this support was achieved by "go abroad" behavior of enterprise, and the resources acquired just made up for resource gaps in the international expansion of enterprise, all of these drove the enterprises "going out". That was to say, the opportunity seeking with enterprises "going out" was an interactive process. To some extent, this also explains why EMFs in the absence of competitive advantage, can undertake large reverse investment in developed countries, They can obtain external resources through international support, and these external resources support for their "going out" is particularly important. Therefore, this study divided the strategic motives of

internationalization of Chinese enterprises into assets seeking and opportunity seeking, and had made detailed definition, which covered much better the real motive of EMFs engaging in international activities.

(3) Enrich the theory of EMFs internationalization process

This study made a contribution to related research on the internationalization process of EMFs. At present, research involving EMFs internationalization mainly concentrated on the antecedents or driving factors (for example, enterprise scale on enterprise level and the industrial structure on industry level), and process research was relatively small (Deng, 2013). However, researchers mainly focused on the internationalization strategy of the enterprise in the process research field, for example, pursuing strategy (Bonaglia et al.,2007; He & Lyles,2008; Rui & Yip,2008; Cui & Jiang,2009; Tolentino,2010), strategic intention and matching (Herbert et al., 2007; Luo & Rui, 2009; Lin, 2010), the entry mode (Antkiewicz & Whalley,2007; Globerman & Shapiro,2009; Niosi & Tschang,2009; Cardoza & Fornes,2011), international entrepreneurship (Yamakawa et al., 2008; yiu-chee et al., 2007; Zhou et al., 2007; Liu et al., 2008). Therefore, scholars should try hard to explore how did Chinese enterprise internationalization happen as a process (Deng, 2013). In the current influential theory on EMFs, Uppsala gradual internationalization model of Johanson&Vahlne (1977) cannot explain the radical internationalization process of EMFs; the springboard theory of Luo and Tung (2007) cannot explain the evolution process rule of the internationalization strategy; LLL model of Mathews (2006) did not consider the perspective of resource dependence.Under the absorption of the Uppsala model of gradual internationalization, springboard theory and LL model, this article proposed internationalization process model based on associative links with alternating dominant strategy; enriched the theory of the internationalization process and expanded the boundary of the existing theory.

6.2.2 Practical enlightens

Focused on the purpose of EMFs making up the disadvantage of backwardness in international expansion process by leveraging external assets and opportunities, this article explored the evolution regularity and characteristics of the Chinese enterprise. Specifically, the author studied evolution regularity and characteristics of EMFs internationalization strategy represented by Chinese enterprises. The research conclusion can provide theoretical guidance for Chinese enterprises and government.

Proceeding international expansion had important strategic significance for Chinese

enterprises, because it was resource allocation on a global scale of Chinese enterprise. In spite of this, Chinese enterprises still faced huge risk in international expansion, which was faced by almost all EMFs (Luo and Tung, 2007). This paper gave its advice from the perspective and the micro level of strategic management: "think big, start small." Specifically:

First, explicit the internationalization strategy

Internationalization has become an important strategy for enterprises to seek competitive advantages and gain sustainable development (Chen et al, 2012; Zeng et al., 2012), therefore international expansion of companies must fit with the overall strategy of the enterprise. In the process of internationalization, enterprise managers should attach great importance to the impact of internal factors and external environment on strategy of company, and they also should have a clear understanding to the enterprise overall strategy. Thus they can clearly grasp the strategic intention of the foreign direct investment, and made persistent efforts. For example, do enterprise managers need to clear out the enterprise's strategic orientation? What was the purpose of international expansion? Was it opportunities seeking or strategic assets acquiring, or both? What kind of resources did enterprises need? What kind of resources the host country can provide? On the basis of clarifying strategic needs, the enterprise would be able to correctly choose investment destination or targets to be merged and treated internationalization as the path to compensate resource defects. TCL was the best negative example.

Second, balance the assets and opportunity proportion

While Chinese enterprises were seeking opportunities positively, they should shift the focus gradually to seek assets, or at least keep balance between seeking opportunity and seeking assets and gradually realize strategic role of the assets in the enterprise's international expansion. According to the research conclusion, assets and opportunities tend to be balanced in the whole process of internationalization, In the process of the balance, asset had a tendency to give rise to the opportunity. That was to say, when the enterprise obtained some important strategic assets (for example, brand, technology, sales channels), it would produce a huge promoting role for enterprise in the international market to conduct opportunity seeking, which was in favor of the enterprises' continuous expansion in the international market. At the same time, the opportunity can promote the acquisition of further opportunity, thus making the enterprise use assets more effectively and promoting competitiveness. Therefore, maintaining a reasonable strategic balance in acquiring assets and opportunity had positive effect on enterprise's internationalization performance.

Third, promote the development pace of enterprise internationalization actively and upgrade innovation ability of enterprise

Under the maturely condition, Chinese enterprises should actively promote development pace of internationalization. In fact, from the point of the development of the four companies, they obtained important strategic assets in the process of internationalization, thus improved their innovation ability and enhanced the competitiveness in the international market. For Chinese companies, enterprise managers should be aware of the important influence that internationalization had on enterprise innovation; should treat the overseas markets as one of the important access for companies to get resources and seek innovation opportunities from the international market actively. Especially in today's dynamic competitive environment, innovation had become a key factor to the success or failure of the enterprise competition. Due to historical and institutional reasons, China's enterprises obviously lag behind that of developed countries in the aspect of innovation ability. Internationalization, as a kind of open innovation strategy, provided an effective way for Chinese enterprises to realize innovation ability promotion and innovation pursuing. By entering the international market, Chinese enterprises can locate resources on a global scale, and got communication and learning opportunities from international enterprise which created conditions to improve enterprise innovation ability. Therefore, under the domestic condition of fierce competition and resources shortage, entering the international market through internationalization was very important for enterprise to improve innovation ability.

Fourth, improve the ability within enterprise

This paper found that in the process of "going out", Chinese enterprises obtained some important assets by a few large mergers and acquisitions. However, the real factor that facilitated "going out" of Chinese enterprises was internal force. This means that an enterprise should strengthen the cultivation of their own capabilities, so that enterprises can grasp the initiative in international expansion. The author believed that in the process of "going out" enterprises accumulated some internationalization knowledge (experiential knowledge and general knowledge), which was the embodiment of the "learning by doing" (Johanson & Vahlne, 2009). However, in order to transfer those knowledge into good performance, companies need to strengthen the digestion and absorption capacity (Deng, 2010), learning ability as well as resource acquisition capacity (Wu Hang, 2014). In fact, due to its insufficient absorption capacity, TCL had failed bid twice and to some extent it was because that TCL had difficult to digest acquisition technology (Deng, 2010). In addition, under the maturely condition, the enterprise also should implement the strategy of internationalization

as soon as possible , accumulate international operating experience to overcome all sorts of barriers and restrictions in the process of internationalization, and accelerate the learning process of enterprise in the internationalization process.

To sum up, the enterprise should fully recognize that successful multinational enterprises not only need to possess a world-class scale, but also need to own the ability of integrating global resources. So as to accumulate their own core technology and management knack; cultivate brand in the world; truly grasp the initiative in the process of internationalization, and truly become the organizers of the global industrial and value chain.

Our country was an emerging economics with rapid economic development, but it was also a transition economics transiting from planned economy to market economy (江诗松 et al.,2011)Mathews, 2006. The state's influence on the enterprise strategy of "going abroad" should not be ignored (Chio et al., 1999; Li, 2005; Meyer et al., 2009), especially its key role in planning and guiding internationalization. By research in this paper, we got the following policy suggestions:

First, government should support the international expansion of enterprises and develop the multinational enterprises vigorously.

Economic globalization was the theme of the era and internationalization was the inevitable trend of enterprise development. It can be seen from the experience of South Korea, Japan and the United States, in order to integrate with the world economy and enter into the economic environment of globalization, China must develop a large number of multinational enterprises. It helped relieve excessive growth of foreign exchange reserves in our country and was beneficial for China's enterprises to acquire greater developing opportunities in the era of globalization. However, from the current situation of our country, the development of multinational companies had obviously lagged behind the national overall economic strength, it had become an important weakness in the work of outward economic. Therefore, the government should create a good external environment for the development of multinational companies and actively provide enterprises with funds support, taxation, and foreign relations.

Second, especially support international expansion that regarded the acquisition of strategic assets, such as advanced technology, innovation and management knowledge, as the purpose of internationalization.

Although Chinese enterprise had been engaged in a great deal of internationalization activity, but it did not arrive at to the high level of international value chain. It was an indisputable fact that Chinese enterprises generally lacked strategic assets and competitive advantage in the high-end market. Economic power all round the world were a large number

of multinational companies with leading technology and advanced management. These companies occupied almost all high-level market in the world. Developed countries extended their economic tentacles to all over the world by dependent on them. Apparently, cultivating multinational enterprises that located in world's highest level was true path for China to become economic power. Strong support for the international expansion treated strategic assets as the motive was the precondition for Chinese enterprises to grow into a world-class enterprise. In view of the past experience and lesson from strategy of "exchange market for technology", our government should actively prompt enterprises to "go abroad" and to search for the globally active strategic assets.

Third, prompting Chinese enterprises to obtain strategic assets and become the best in the world through the international expansion did not represent that all the enterprises should "go abroad".

According to the basic ideas of international business, resource "should be used to seek resources". Especially in overseas investment, business activities across national borders would face risks and costs many multiples of those in domestic. Although the threshold of the investment was reducing year by year, but it doesn't mean there were no basic conditions for international expansion. On the other hand, with the constant improvement of the technical complexity and the professional division, requirement for enterprise comprehensive ability of such investment also subsequently heightened. Therefore, under the condition of limited national economic power, weak financial regulation, imperfect corporate governance mechanism and the defective property rights system, encouraging international expansion cannot be "wind-blowing" or "wind-following". Countries should cautiously and decisively prompt modern enterprise with strong technical strength and global strategic vision to "go abroad". It was beneficial for those modern enterprises to expand resources throughout the world and grow up to be the top of Chinese enterprises among global 500 firms.

Fourth, while government encouraged enterprises to "go abroad", it also should attach importance to make businesses cultivate autonomous consciousness and accumulate initiative strategic asset.

This was especially important in the FDI of resource seeking type, the more strategic assets the enterprise itself possessed, and the easier for it to absorb advanced knowledge from the host country. This would further enhance its strategic assets accumulation, which was the same sense with absorptive capacity (Cohen & Levinthal,1990). In addition, the enterprise's strategic assets were the bargain basis with the opposite side in cross-border merger. Therefore, the government can cultivate strategic assets based on national advantage with the

assistant of enterprise. On the one hand, given that China had the most potential consumer market in the world, government can improve service network of enterprises with their coordination and cultivate market resources by policy; On the other hand, the government can conduct basic research with enterprise. Because, according to the WTO rules, the government's subsidies toward basic technology research and development before commercial cannot be sued, this already became main means for developed countries to support enterprise. From the current situation, the leading enterprises in our country generally had the problem of insufficient technical reserves, for the improvement of the technological innovation ability need a lot of investment. However, in order to deal with the fierce market competition, they were usually lack of investment in technology relatively. Therefore, the government attached much support to research and development activities of enterprise. On the one hand, these support can help government train the absorb ability of enterprises; on the other hand, they were also helpful to improve the bargain ability of enterprise. This was not only the needs of "independent innovation" strategy, but also the needs of "go to the world" strategy.

6.3 Limitations and future prospects of research

Through the attention to behavior characteristics of the Chinese enterprise internationalization process, this article reviewed the features of EMFs international expansion and those literatures on "springboard" perspective. In case study, this paper collected the secondary data from internationalization activities related to the four typical Chinese enterprises. Then according to the actual situation of enterprise, internationalization of enterprise was divided into three stages. Finally, the author analyzed the behavior characteristics of the enterprise in each stage and concluded the corresponding propositions.

There were some research limitations and directions in this paper:

First: Data limitations of the case enterprise.

First of all, according to the standard of case study, researchers should adopt data from multiple sources as far as possible in order to facilitate the triangle validation on data of different sources (Eisenhardt, 1989). Data of case enterprise in this paper were obtained through the internet and it was second-hand data including news revealed by enterprise official and reported by media, as well as papers and books from business and academic. Therefore, this paper lacked first-hand data, such as data from interview. Interview data, in particular, was particularly important for the case study, because "interview can inspire researchers and verify the key data and information" (Jiang Shisong et al. 2011). Secondly, the

amount of data in this paper was very limited. It lacked detailed data materials (for example, about the background of some major internationalization activity of enterprise). This may result too many artificial assumptions were joined into the process of case analysis in this paper which lead to the inconsistency between the conclusion and the actual behavior of enterprise. For example, what kind of motivation was more intense and what kind of strength was more oriented when enterprises engaged in the international activities. Therefore, to some extent, the research conclusion lacked objectivity.

Second: The limitation of case company.

The first was the size of the enterprise. The research objectives of this paper were large-scale group enterprises in our country. These enterprises were "leader" of their industry, and their international experience in the industry had strong representativeness. Normally, large enterprises with certain financial and technical strength possessed the requirements of internationalization. Because, even though the internationalization was to get resources, it also accompanied by a lot of capital investment and the risk of losing everything. Therefore, this study focused on the representative domestic enterprise with strong strength. However, for small and medium-sized enterprises, whether their financial support ability, absorption capacity and the failure bearing ability were appropriate for external expansion or not was a main concern. Especially after China's accession to the WTO, along with the competition, the small and medium-sized enterprises need more strategic assets. However, resources needed resources to find. How they survived in the international environment, how they seek resources and opportunities under more stringent conditions and how they developed and implemented their internationalization strategy were the concerns that needed further research. The second was locality of enterprises. The four firms involved in this paper all stemmed from the eastern developed provinces and cities in our country (Haier: Shandong province; Geely, Zhejiang province; TCL and Huawei; Guangdong province). Therefore, it was difficult to rule out the influence of regional culture characteristics on enterprise internationalization decision, which to a certain extent may affect the generalization of research conclusion. Therefore, future research should include the western region that less developed.

Third, in general, enterprise in our country started international expansion very late, most of the substantive international expansion occurred after the 21st century. In view of the present situation, this research had certain time limitation. And the data collection time related on enterprise internationalization was generally limited to nearly 5 years in this paper, this was mainly because there was little early information of enterprise recorded on the Internet, and there were much recent data, so the conclusion may fluctuate because of the time difference

of material. From the point of reality, 5 years can only witness the medium-term results of enterprise internationalization strategy; its long-term impact was still impossible to judge. Therefore, given that the internationalization of enterprises was a long-term process. Further research can observed the internationalization developmental trajectory of Chinese enterprises from a longer time, making more convincing results.

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