

RECENT/FORTHCOMING ASIA-RELATED RESEARCH PUBLICATIONS (As of February 2011)

Tang, J., Rowe, W.G., 2011, "Not too close and not too far: Business relatedness and foreign subsidiary performance", *Journal of World Business*, Forthcoming.

Keywords : Liability of closeness; Business relatedness; Foreign subsidiary performance; China, Japan foreign direct investment.

Abstract : It is widely accepted that business relatedness, defined as the extent to which a foreign subsidiary is related to its parent's core business, has a positive effect on subsidiary performance. With a sample of 165 Japanese subsidiaries located in China, however, we found that modestly related subsidiaries, on average, outperformed both unrelated and closely related subsidiaries, and that closely related subsidiaries performed poorly especially when the parent had a heavy majority ownership in the subsidiary and the subsidiary was at its early stage of operating in the host market. Our results indicate that being too closely related to the parent could be potentially detrimental, suggesting a liability of closeness.

Choi, S.B., Lee, S.H., Williams, C., 2011, "Ownership and firm innovation in a transition economy: Evidence from China", *Research Policy*, Forthcoming.

Abstract : We examine innovation performance of firms in a transition economy from an ownership perspective. We focus specifically on the relationship between ownership structures and firm innovation performance. Drawing on data from 548 Chinese firms we find volume of patent registration to be most strongly influenced by foreign ownership in the firm along with firm affiliation within a business group. The influence of state and institutional ownership on innovation performance is positive but lagged. Contrary to expectations, insider ownership leads to lower innovation performance and concentrated ownership has no significant impact. Our study has two principal contributions. Firstly, we utilize a comprehensive treatment of ownership characteristics, overcoming weakness in previous studies that have used a more narrow focus on ownership type. Secondly, we contribute to understanding of how firms in transition economies build 'indigenous' capabilities for innovation by drawing attention to the interplay of foreign and domestic control of agents' innovation.

Schotter, A., Beamish, P.W., 2011, "General Manager Staffing and Performance in Transition Economy Subsidiaries", *International Studies of Management and Organization*, 41(2): 57 - 89.

Keywords : Transition economies; Multinational corporation; Foreignness and emerging markets; Cross-cultural issues in HRM; Role of formal and informal networks; FDI legitimacy; Joint venture; China.

Abstract : Drawing from institutional theory, we address the issue of local versus expatriate subsidiary CEO staffing decisions of multinational corporations (MNCs) at the sub-national level. Our analysis of 2315 MNC subsidiaries in China shows that foreign direct investment (FDI) legitimacy is a reliable measure of institutional environment differences at the sub-national level and that the commonly used country level measures including institutional distance and cultural distance mask pertinent within-country differences. MNCs that invest in Chinese provinces with lower FDI legitimacy use more local nationals as subsidiary CEOs compared to provinces with higher FDI legitimacy. In provinces with low FDI legitimacy, subsidiaries with local CEOs perform relatively better than subsidiaries with expatriate CEOs. This effect is particularly strong for wholly foreign owned subsidiaries and applies to all provinces except the most developed coastal regions. In provinces with higher levels of FDI legitimacy these effects are reversed.

Tzeng, C-H, Beamish, P.W., Chen, S-F., 2011, "Institutions and entrepreneurship development: High-technology indigenous firms in China and Taiwan", *Asia Pacific Journal of Management*, Forthcoming.

Keywords : Institutional environments; Entrepreneurship development; High-technology firms in China and Taiwan.

Abstract : This study takes an inductive approach in analyzing the roles played by the state, the market, and the social sector in indigenous entrepreneurship development. Data collected from six high-technology companies in China and Taiwan serve to broaden our prior knowledge on how the three institutions work collectively in nourishing indigenous firms at three stages of entrepreneurship development. At the start-up stage, the state influences a firm's entrepreneurial motivation by creating contexts, providing necessary financial resources, and setting up policy hurdles. At the growth stage, the social sector facilitates technology transfer to indigenous firms and protects them from lawsuits filed by multinational corporations. At the mature stage, the market allows multinational corporations to either enhance or destroy the technological capabilities of local firms. These findings provide strong theoretical and policy implications.

Delios, A., Beamish, P.W., Zhao, X., 2009, "The Evolution of Japanese Investment in China: From Toys to Textiles to Business Process Outsourcing", *Asia Pacific Business Review*, 15(3): 323 - 345.

Keywords : Japan; FDI; China; Emerging markets; Regional strategy.

Abstract : The nature of Japanese firms' international activity in China has undergone a substantive change in the 1995-2006 period. Japanese companies compete actively in many more regions in China, and they have shifted their investment strategies in the various provinces and municipalities in China to reflect the new competitive realities created by rapid economic development in the East, mid-South and North regions of China. The changing nature and evolution of Japanese international activity has created substantial opportunities and challenges to scholars and practitioners alike. The challenge comes from trying to develop a nuanced understanding of sub-national variations in Japanese firms' strategies in China. The opportunities come from the chance to deepen research in three particular areas of scholarly endeavour: (1) subsidiary development and multinational firm strategy; (2) institutions and international business; and (3) offshoring, outsourcing and international business theory.

Conklin, D.W., Cadieux, D., 2009, "China's Trade Disputes", *Journal of International Business Education*, 4: 5 - 26.

Abstract : When China applied to join the GATT [General Agreement on Tariffs and Trade] in 1986, it was essentially a centrally planned economy with an opaque trading regime with high tariffs and a plethora of non-tariff barriers. Its main trading partners were socialist countries such as the USSR [Union of Soviet Socialist Republics] and Yugoslavia. It was not until 1992 when China declared its intention to establish a 'socialist market economy' that it began to lower tariffs. At this time China unilaterally began to make substantial tariff cuts. The reduction of tariffs during the 1990s has resulted in China being perhaps one of the most open developing countries to join the WTO [World Trade Organization] in 2001. The simple average Chinese tariff rate was reduced from 42.9% in 1992 to 16.6% in 2001. After accession, the average tariff dropped to 9.8%.