

## A review of foreign business management in China

Jing Yu Yang · Frank Ben Tipton · Jiatao Li

Published online: 16 November 2010  
© Springer Science+Business Media, LLC 2010

**Abstract** This study reviews the research on foreign business management in China and analyzes 193 articles published in English in 13 academic journals between 1980 and 2008. The studies were classified based on the type of research, the main topic, and the methods employed. The studies were then mapped and their key research findings and conclusions were highlighted. A three-stage model of market transition was developed to contextualize the work, and this helps explain the shifting focuses in the literature and identify directions for future research.

**Keywords** Foreign business management · Market transition · Contextualization · China · Literature review

Increasing global economic integration has turned China into a leading destination for foreign direct investment (FDI) (World Investment Report, 2005). Since China opened up for foreign investment in the late 1970s, foreign business has played an important role in transmitting capital, knowledge, and management systems into China (Luo, 1999b; Shenkar & Li, 1999), and it has emerged as one of the key drivers behind China's rapid economic growth, (Buckley, Clegg, & Wang, 2002; 2007a; Wei & Liu, 2006). Being a transition economy, China presents difficult challenges for foreign investors. Foreign investors entering and operating in China

---

The authors thank Professor Alfred Wong (senior editor) and two anonymous reviewers for their helpful comments on the earlier drafts. The authors are also thankful to Jun Xu for his excellent research assistance.

J. Y. Yang (✉) · F. B. Tipton  
Discipline of International Business, The University of Sydney, Sydney, NSW 2006, Australia  
e-mail: gracy.yang@sydney.edu.au

F. B. Tipton  
e-mail: f.tipton@sydney.edu.au

J. Li  
Department of Management, Hong Kong University of Science and Technology, Clear Water Bay,  
Hong Kong, People's Republic of China  
e-mail: mnjtli@ust.hk

must continually reprioritize their strategies and operational policies to cope with the changing regulatory and market landscapes (Luo, 2007b; Peng, 2000).

Have the evolution and development of foreign businesses in China been well documented in the literature? How satisfactorily has scholarly research on foreign business and management in China addressed the salient issues, generated useful findings, and enhanced our understanding? What contributions have these studies been able to make to global management knowledge? And more importantly, can we frame a research agenda to show where we should be heading in improving the rigor and theoretical contributions of future research?

A review of the state of our knowledge provides a useful first step in addressing these issues. In this study, we set out to provide an overview of the research on the development of foreign business management in China. We had three main objectives. The first was an analytical description of the body of international management (IM) literature regarding foreign firms' strategy, management, and organization in China. We reviewed the IM research published in 13 leading journals from 1980 through 2008. Our review identified 193 articles. We categorized each article by the type of research (Tsui, 2004, 2007; Werner, 2002), the key topic (Werner, 2002), and the research methods (Kirkman & Law, 2005; Tsui, Nifadkar, & Ou, 2007). The second objective was to map the contributions of these studies by highlighting key research concerns and the conclusion reached within each of those key topic areas. This allows us to identify linkages between topics, and to highlight the primary theoretical perspectives.

The final objective was to evaluate the contributions of the body of literature, identify gaps in the literature, and delineate important areas for future study, to make the research agenda explicit. To meet this objective, we drew on the recent calls for deepening contextualization in IM research (Rousseau & Fried, 2001; Tsui, 2004, 2006). In particular, we introduced a three-stage model of market transition to categorize how foreign firms adapt themselves and shift their strategy, management, and operations in China over time. The model attempts to contextualize China's recent business transition, and provides a perspective on the way in which the existing research has responded to the challenge of transition. In doing so, it also helps indicate important avenues for future research on the foreign business management in China, and allows us to judge the extent to which China's experience applies to emerging economies in general, and even more broadly the extent to which it affects our understanding of IM globally.

## A survey of research on foreign business management in China

### Journal and article identification

Following the criteria of previous management review studies, we identified a list of leading English academic journals to be included in this literature survey. We first included eight highly-ranked mainstream management journals: *Academy of Management Journal (AMJ)*, *Academy of Management Review (AMR)*, *Administrative Science Quarterly (ASQ)*, *Management Science (MS)*, *Journal of Management (JOM)*, *Journal of Management Studies (JMS)*, *Organization Science (OS)*, and *Strategic Management Journal (SMJ)*. Three leading IM journals were also covered:

*Journal of International Business Studies (JIBS)*, (*Columbia Journal of World Business (JWB)*), and *Management International Review (MIR)*. Finally, we examined articles in the *Asia Pacific Journal of Management (APJM)*, and *Management and Organization Review (MOR)*, the two leading journals devoted to management issues in Asia, the Pacific region, and China (Meyer, 2006; Quer, Claver, & Rienda, 2007). These 13 journals all publish academic research based on rigorous and systematic methods. We did not include books or journals about management practice in this survey. This is an approach consistent with previous management review studies, and reflects the typical lag in management studies between the state of knowledge in the journal literature, and its reflection in book length publication (Li & Tsui, 2002; Werner, 2002; Yang & Li, 2008).

In selecting articles for inclusion in the survey, the first author and her research assistants relied on the *ABI/Inform* database to select the articles that have used the words “China, Chinese,” and “FDI, foreign, international, multinational, MNC, MNE” in the titles or abstracts or full texts. Although it is always possible that some relevant articles may have been missed, we are confident that this spread provides thorough coverage. Then the first two authors worked independently, and studied the uncovered articles in detail. Only articles commonly agreed between them were included in the survey. An article to be included must have addressed a theoretical or an empirical issue concerning the strategy and management of foreign firms in mainland China. Empirical articles were included if their analyzed data and information were primarily on foreign-affiliated firms (e.g., joint ventures, wholly-owned subsidiaries, cooperative ventures, and others) in China or on employees and managers associated with these firms. Non-empirical studies to be included must have clearly stated that their theory building, arguments, and discussion were derived from, or closely associated, with the mainland China context. This procedure generated a total of 193 articles.<sup>1</sup> Table 1 lists the 13 journals and the number of articles sorted into three time periods.

### Types of research

IM research can be generally divided into three categories (Ricks, 1985; Werner, 2002). The first comprises studies that look at the international aspects of firm strategy and management such as internationalization, entry mode decisions, entry timing, or expatriate management. Such studies are identified as pure IM research (“type 1”). The second category compares management and strategy practices across different cultures and nations (“type 2,” also known as comparative management studies). The third category focuses on management in nations outside North America (“type 3,” also known as foreign domestic studies).

Research on foreign business management in China is essentially a subset of the IM research that focuses on pure international issues (type 1) specific to a national context outside North America (type 3). Hence, the majority of the articles included in this survey fell at the intersection of type 1 and type 3. The remaining articles included aspects of all three types, depending on whether an article incorporated multiple home or host countries in its sample, or whether it presented international comparisons.

<sup>1</sup> We also cross-checked the reference lists in recent reviews of international and China-related management research (Li & Tsui, 2002; Nippa, Beechler, & Klosek, 2007; Quer et al., 2007; White, 2002).

**Table 1** Journals and number of articles, 1980–2008.

Journal name	Number of articles			
	Subtotal	1980–1989	1990–1999	2000–2008
Management Journals	47	0	8	39
Academy of Management Journal ( <i>AMJ</i> )	7		1	6
Academy of Management Review ( <i>AMR</i> )	2		1	1
Administrative Science Quarterly ( <i>ASQ</i> )	1			1
Management Science ( <i>MS</i> )	1			1
Journal of Management ( <i>JOM</i> )	5			5
Journal of Management Studies ( <i>JMS</i> )	12		2	10
Organization Science ( <i>OS</i> ) <sup>a</sup>	5		2	3
Strategic Management Journal ( <i>SMJ</i> )	14		2	12
International Management Journals	119	4	39	76
Journal of International Business Studies ( <i>JIBS</i> )	44		12	32
(Columbia) Journal of World Business ( <i>JWB</i> )	37		17	20
Management International Review ( <i>MIR</i> )	38	4	10	24
Area Management Journals	27		4	23
Asia Pacific Journal of Management ( <i>APJM</i> )	21		4	17
Management and Organization Review ( <i>MOR</i> ) <sup>b</sup>	6			6
Total <sup>c</sup>	193	4	51	138

<sup>a</sup> *Organization Science (OS)* started publication in 1990.

<sup>b</sup> *Management and Organization Review (MOR)* started publication in 2005.

<sup>c</sup> (24%) in the management journals, (62%) in IM journals, and (14%) in the two area management journals.

Of the 193 articles, 152 (79%) were both type 1 and type 3. The remaining 41 articles were a combination of all three types of IM research. Of these, 19 articles examined home country origin effects or cross-national differences of foreign businesses in China. The other 22 examined IM issues applicable in multiple host countries (including China), either with or without a comparative intention.

### Research topics

In his review, Werner (2002: 280) categorized 12 IM topics, and suggested that although these *post hoc* categories were not a definitive classification for the IM literature, they provided a useful organizing framework for analyzing IM research. Embracing a similar view, we relied on his classification as the baseline, but consolidated his taxonomy to make it manageable for the following review. We combined Werner's "International exchange"<sup>2</sup> with his "Global business environ-

<sup>2</sup> Werner (2002: 285) included exchange overviews, determinants of exporting, export intermediaries, and consequences of exporting in this category.

ment” and relabelled it as “International business environment.” His categories of “Internationalization,” “Entry mode decisions,” and “Foreign direct investment” were merged into one new category “FDI/foreign entry strategy.” We also combined “Multinational enterprises,” “Subsidiary-HQ relationships,” “Subsidiary and multinational team management,” and “Expatriate management” into one broad category: “Multinational enterprises/subsidiaries.” Lastly, we expanded his category “Transfer of knowledge” into “Learning/knowledge management and transfer.”

These adjustments left us with six broad categories. Based on each article’s primary focus, we assigned it only into one of these categories. The predominant topics were “International joint ventures” (34%) and “FDI/foreign entry strategy” (20%), followed by “Multinational enterprises/subsidiaries” (19%) and “Learning/knowledge management and transfer” (13%). We then cross-tabulated the 6 categories across different types of journals, with the results listed in the left of Table 2.

During the 1980s, only three topics (IB environment, IJVs, and Learning/knowledge management and transfer), with four articles in total, appeared in the journals surveyed. In the 1990s, the IJV topic was popular across all three journal types, and reached a double-digit number of publications in the IM journals. “FDI/foreign entry strategy” and “MNEs/subsidiaries” research started to emerge in this period, and publications on these two topics grew particularly rapidly in the IM journals. The other two topics (“Learning/knowledge management and transfer” and “Strategic alliances/networks”) grew marginally in this period. In the third period (2000–2008), IJV research continued to grow fast and remained dominant in the publication list across the journal types. “FDI/foreign entry strategy” and “MNEs/subsidiaries” received significantly increased attention, catching up with the IJV publications. “Learning/knowledge management and transfer” and “Strategic alliances/networks” started to pick up, but at a slower pace. The “IB environment” maintained its momentum during all the three periods.

**Table 2** Topics sorted by journal type.

Research topic	All 13 Journals	6 Management Journals	3 International Management Journals	2 Area Management Journals	Werner’s (2002) Review 20 Journals <sup>a</sup>
1. International business environment	10 (5%)	1 (2%)	9 (8%)		38 (14%)
2. FDI/foreign entry strategy	39 (20%)	9 (19%)	27 (23%)	3 (11%)	104 (38%)
3. International joint ventures	65 (34%)	17 (36%)	37 (31%)	11 (41%)	25 (9%)
4. Strategic alliances/networks	17 (9%)	5 (11%)	6 (5%)	6 (22%)	18 (7%)
5. Multinational enterprises/subsidiaries	37 (19%)	11 (23%)	23 (19%)	3 (11%)	70 (26%)
6. Learning/knowledge management & transfer	25 (13%)	4 (9%)	17 (14%)	4 (15%)	16 (6%)
Total	193	47	119	27	271

<sup>a</sup> The numbers shown in this column were calculated based on Table 2 in Werner’s report (2002: 280).

## Research methods

Table 3 shows that the most commonly used research methods were questionnaire/survey (46%) and archival data analysis (28%), followed by case/field interview and observation (15%) and conceptual/overview (11%). The prevailing method employed in the IB environment category was conceptual/overview. In contrast, archival data analysis was the main method in the FDI/foreign entry strategy category, while the IJV category's main method was questionnaire/survey. This was also the most commonly used methodology in the remaining three categories.

Tables 1, 2, and 3 reflect a growing interest in research of foreign businesses in China among global management scholars and the editors of these journals. The articles provide a snapshot of the real pattern of emergence and growth among foreign businesses during China's transition to a more market-based economy. With China's continuing institutional and market evolution, foreign businesses in China will presumably continue to attract the attention of management scholars, and China-related management and organization research will appear more frequently in these international academic journals.

## Mapping the contributions

### Overview

Interestingly, the distribution presented in Table 2 differs from that revealed in Werner's (2002) study. In our survey, "IJV" and "Learning/knowledge management and transfer" articles constituted a larger percentage of the total than Werner found. This indicates that research on foreign business management in China has not conformed to the pattern of global IM research. In China, the topics of "IJV" and "Learning/knowledge management and transfer" have attracted greater attention, while "FDI/foreign entry strategy" and "MNEs/subsidiaries" have received less examination in the Chinese context than elsewhere. Table 4 summarizes the key issues and findings of the surveyed articles in different topics over time.

**Table 3** Topics sorted by methods.

Research topics	Questionnaire/ Survey	Archival data analysis	Case/Interview	Conceptual/ Overview
1. International business environment	2			8
2. FDI/foreign entry strategy	8	27	1	3
3. International joint ventures	31	18	10	6
4. Strategic alliances/networks	13	2	2	
5. Multinational enterprises/subsidiaries	22	3	11	1
6. Learning/knowledge management & transfer	12	5	5	3
Total	88	55	29	21

**Table 4** Summary of findings across different IM topics.

	Period I & II (1980–1999)	Period III (2000–2008)
1. International Business Environment (of China)	<ul style="list-style-type: none"> <li>• Political risk and environmental difficulties in doing business in China (Davies, 1994; Tai, 1988; Weldon &amp; Vanhommel, 1999; Wu, 1982)</li> <li>• Trade relationship between US-China and its implications for foreign businesses in China (Rondinelli, 1993)</li> </ul>	<ul style="list-style-type: none"> <li>• China's economic reform and market transition, and performance implications for foreign business (Buck et al., 2000; Child &amp; Tse, 2001; Peng, 2001)</li> <li>• Globalization and firms' self-regulation of environmental performance (Christmann &amp; Taylor, 2001)</li> <li>• China's consumer value and choices (Hung et al., 2007)</li> </ul>
2. FDI/Foreign Entry Strategy Antecedents	<ul style="list-style-type: none"> <li>• Globalization, China market evolution, and FDI (Cui, 1998)</li> <li>• Country-of-origin effects on FDI inflow (Schrooth et al., 1993)</li> <li>• Host country-, home country-, and industry-level determinants of entry mode choices (Tse et al., 1997)</li> <li>• The dynamic interaction between firm-specific and host country-specific advantages on the entry paths of MNEs (Van De Bulte et al., 1999)</li> <li>• Relationships between specific foreign entry strategies and various types of FDI performance (Luo, 1998a; Pan &amp; Chi, 1999; Pan et al., 1999)</li> <li>• Strategic attributes and operations that can lead to better FDI performance in China (Abramson &amp; Ai, 1999; Luo, 1998b)</li> </ul>	<ul style="list-style-type: none"> <li>• Motives and drivers for FDIs into China (Li &amp; Filer, 2007; Rothaermel et al., 2006; Sethi et al., 2003; Yin &amp; Choi, 2005)</li> <li>• The importance of social considerations and inter-firm learning on foreign entry rates and founding patterns (Guillen, 2002; Kuilman &amp; Li, 2006)</li> <li>• Firm characteristics and their interactions with contextual variables on entry mode choices and evolution (Guillen, 2003; Li et al., 2007; Pan &amp; Li, 2000; Pan &amp; Tse, 2000; Xia et al., 2008), and entry timing (Gaba et al., 2002)</li> <li>• Foreign location choices across nations (Makino et al., 2002; Pak &amp; Park, 2005), and across regions within China (Chang &amp; Park, 2005; Li &amp; Park, 2006; Zhou et al., 2002)</li> <li>• Performance of foreign-invested firms in China (Frynas et al., 2006; Han, 2002; Li, 2004; Xu et al., 2006)</li> <li>• Spillover effects from foreign-invested firms to domestic firms in China (Buckley et al., 2002, 2007a, b; Chang &amp; Xu, 2008; Gamble, 2006b; Wei &amp; Liu, 2006)</li> <li>• Various mechanisms of FDI spillovers (Buck et al., 2007; Liu &amp; Zou, 2008; Tian, 2007)</li> </ul>
Consequences		
3. International Joint Ventures	<ul style="list-style-type: none"> <li>• Unique characteristics of IJVs (Beamish &amp; Wang, 1989; Wang et al., 1999)</li> <li>• Negotiation and formation of IJVs (Shan, 1991; Wagner, 1990)</li> <li>• Differences, relations, and interactions between foreign JV partners and their partners in China (Baird et al., 1990; Hoon-Halbauer, 1999; Osland &amp; Cavusgil, 1998; Pan, 1997; Walsh et al., 1999)</li> </ul>	<ul style="list-style-type: none"> <li>• Unique characteristics of IJV partnership (Jolly, 2005)</li> <li>• Specific strategy and management practices adopted in IJVs, such as employee trust, negotiation, HRM, and product innovation (Chen &amp; Wilson, 2003; Child &amp; Yan, 2001; Shi, 2001b; Wong et al., 2003; Zhou &amp; Li, 2008)</li> <li>• Interactions and differences between foreign and local partners in IJVs (Luo, 2007; Mohr, 2006; Wang et al., 2005; Zhang &amp; Rajagopalan, 2002)</li> </ul>
Partner selection and relations		

Table 4 (continued).

	Period I & II (1980–1999)	Period III (2000–2008)
	<ul style="list-style-type: none"> <li>• Knowledge acquisition, satisfaction of foreign partners, and the instability of IJVs (Inkpen &amp; Beamish, 1997; Lasserre, 1999)</li> <li>• Foreign equity ownership and control mechanisms in IJVs (Child &amp; Yan, 1999; Pan, 1996)</li> <li>• Specific strategy and management practices in IJVs (Björkman &amp; Lu, 1999b; Bruijn &amp; Jia, 1993; Holton, 1990; Leung et al., 1996; Lin &amp; Germain, 1998)</li> <li>• IJV formation in China and foreign investors' stock value in the host market (Hu et al., 1992)</li> <li>• Partner selection, business arrangement, and various types of IJV performance (Li et al., 1999; Luo, 1995, 1997b, 1998c; Yan &amp; Gray, 1994)</li> </ul>	<ul style="list-style-type: none"> <li>• Conflicts and opportunistic behaviors between foreign and local partners in IJVs, and IJV contracts (Hambrick et al., 2001; Luo, 2002a, 2005b, 2007a)</li> <li>• Ownership structure and parent control in IJVs (Chen et al., 2002; Pan, 2002; Yan &amp; Gray, 2001)</li> <li>• Performance implications of inter-partner dynamics, including partner fit and interactions, ownership structure and contract design (Gong et al., 2007; Li &amp; Hambrick, 2005; Li et al., 2002; Luo, 2002b, c; Luo &amp; Park, 2004; Luo &amp; Tan, 2003; Wong &amp; Ellis, 2002; Yan &amp; Duan, 2003)</li> <li>• Performance implications of various practices in IJV operation, management, and strategy (Child &amp; Yan, 2003; Gong et al., 2005; Isobe et al., 2000; Li et al., 2001; Lin &amp; Wang, 2008; Lu &amp; Ma, 2008; Lu &amp; Xu, 2006; Luo, 2002d; Luo et al., 2001a, b; Nippa et al., 2007; Yan &amp; Child, 2004; Zhang et al., 2007)</li> <li>• Home- or host-country reactions to IJV formations in China (Meschi &amp; Cheng, 2002; Meschi &amp; Hubler, 2003)</li> </ul>
4. Strategic Alliances/Networks		
Relations	<ul style="list-style-type: none"> <li>• Cooperative strategy between foreign firms and their partners in China (Pan &amp; Tse, 1996)</li> </ul>	<ul style="list-style-type: none"> <li>• The relationship of foreign investors and their subsidiaries with local governments (Chen et al., 2004)</li> <li>• Various factors that impact the formation, evolution, and management of international alliances in China (Dong &amp; Glaister, 2007; Hitt et al., 2004; Wang &amp; Nicholas, 2007; Yu &amp; Liao, 2008)</li> <li>• Various alliance strategies and networks on foreign firm performance (Gao et al., 2008b; Li, 2005; Murray et al., 2005)</li> <li>• Operation and management influences on alliance performance, including personal attachment, trust, procedural justice, and economic integration (Luo, 2001a, 2002e, 2005a, 2008)</li> <li>• The stability of local firms due to their allying with foreign firms (Guthrie, 2005)</li> </ul>
Consequences	<ul style="list-style-type: none"> <li>• <i>Guamv</i> network and foreign firm performance (Luo, 1997a; Luo &amp; Chen, 1997)</li> <li>• Intra-firm and inter-firm linkage and foreign firms' location choices (Chen &amp; Chen, 1998)</li> </ul>	



Table 4 (continued).

	Period I & II (1980–1999)	Period III (2000–2008)
5. Multinational Enterprises/Subsidiary		
Local strategy and management	<ul style="list-style-type: none"> <li>Competitive strategy, HRM practices, and expatriate control and management of foreign subsidiaries in China (Anand &amp; Delios, 1996; Björkman &amp; Lu, 1999a; Nauman, 1993; Selmer, 1999; Sergeant &amp; Frenkel, 1998; Taylor, 1999; Wong &amp; Law, 1999)</li> </ul>	<ul style="list-style-type: none"> <li>Interactions between foreign subsidiaries and critical local actors (Luo, 2001c, 2006b; Peng, 2000; Zhang et al., 2006)</li> <li>Local operations and strategies adopted by MNEs and their subsidiaries in China (Brookfield &amp; Liu, 2005; Child &amp; Tsai, 2005; Fryxell et al., 2004; Gamble, 2006a; Gao et al., 2008a; Ghauri &amp; Fang, 2001; Law et al., 2003; Luo, 2001b, 2002f, 2004; McGaughy et al., 2000; Peng &amp; Beamish, 2007; Peng et al., 2004; Yang, 2005; Yang et al., 2008; Shi, 2001a)</li> <li>Shifting dominant strategies of MNEs in China (Luo, 2007b)</li> </ul>
Performance	<ul style="list-style-type: none"> <li>Influences of marketing strategy, ownership structure, and experience on performance of MNEs and subsidiaries (Chen, 1999; Luo, 1999a)</li> </ul>	<ul style="list-style-type: none"> <li>Influences of local strategy and operations on subsidiary performance, including strategic orientation, ownership structure, and local sourcing and environment practices (Chan, 2005; Kotabe &amp; Zhao, 2002; Luo &amp; Park, 2001; Tan, 2002; Zhao &amp; Luo, 2002)</li> <li>Performance implications of parent-subsidiary linkages and the fit between internal organization and the environment (Child et al., 2003; Luo, 2003)</li> </ul>
6. Learning/Knowledge management and transfer		
Antecedents	<ul style="list-style-type: none"> <li>The requirements for successful transfer of a service technology to China (Lo et al., 1986)</li> </ul>	<ul style="list-style-type: none"> <li>Various determinants for knowledge transfer between partners in IJVs, from MNE parents to China subsidiaries, and between China subsidiaries and peer subsidiaries in other countries (Cannice et al., 2004; Kaufmann &amp; Roessing, 2005; Li &amp; Scullion, 2006; Tsang, 2002a; Wang &amp; Nicholas, 2005; Wang et al., 2004; Zhao &amp; Luo, 2005; Zhao et al., 2005)</li> </ul>
Process	<ul style="list-style-type: none"> <li>Learning and knowledge search among partners in international cooperative ventures (Shenkar &amp; Li, 1999)</li> </ul>	<ul style="list-style-type: none"> <li>Transfer mechanisms between foreign and local partners (Björkman et al., 2004; Lin, 2003, 2006; Hitt et al., 2005)</li> <li>R&amp;D activities by foreign firms in China (Luo, 2006a; Zhao, 2006)</li> </ul>
Consequences	<ul style="list-style-type: none"> <li>Technological competence, host-country experience, and subsidiary performance (Luo, 1999b; Luo &amp; Peng, 1999)</li> </ul>	<ul style="list-style-type: none"> <li>Implications of learning and knowledge management on foreign business practices, including brand management, governance techniques, and capability building, and their success (Horng &amp; Chen, 2008; Li &amp; Shenkar, 2003; Li &amp; Zhou, 2008; Zou &amp; Ghauri, 2008)</li> </ul>

*International business environment (of China)* Articles in this category mainly focus on China's business environment and how changes in the environment present both opportunities and challenges for foreign businesses. In the early period (1980–1999), the articles concentrated on China's political risks, environmental difficulties, and problematic trade relations with other countries (especially the US), and discussed ways to deal with these problems (Davies, 1994; Rondinelli, 1993; Tai, 1988; Weldon & Vanhonacker, 1999; Wu, 1982). In the later period (2000–2008), articles considering the business environment shifted their focus and began to emphasize the Chinese environment's implications for strategy, practices, and the performance of foreign businesses (Buck, Filatotchev, Nolan, & Wright, 2000; Child & Tse, 2001; Peng, 2001). In addition, scholars started to examine the influences of globalization on China at its convergence with the West in terms of self-regulation (Christmann & Taylor, 2001) and consumer values and choice (Hung, Gu, & Yim, 2007).

*FDI/foreign entry strategy* In the 1990s, articles in this category focused on identifying various determinants of FDI and entry strategies in China (Cui, 1998; Schroath, Hu, & Chen, 1993; Tse, Pan, & Au, 1997; Van de Bulcke, Zhang, & Li, 1999). Discussions of the consequences focused on the implications of different entry strategies and differences in firms' strategic attributes and operations for performance outcomes (especially financial performance and survival) (Abramson & Ai, 1999; Luo, 1998a, b; Pan & Chi, 1999; Pan, Li, & Tse, 1999).

In the later period, several articles examined the drivers behind FDI (Li & Filer, 2007; Rothaermel, Kotha, & Steensma, 2006; Sethi, Guisinger, Phelan, & Berg, 2003; Yin & Choi, 2005). Many others focused on antecedents to a range of foreign entry decisions, including expansion rate (Guillen, 2002; Kuilman & Li, 2006), entry mode choices and their evolution (Guillen, 2003; Li, Yang, & Yue, 2007; Pan & Li, 2000; Pan & Tse, 2000; Xia, Tan, & Tan, 2008), entry timing (Gaba, Pan, & Ungson, 2002), and FDI location (Chang & Park, 2005; Li & Park, 2006; Makino, Lau, & Yeh, 2002; Pak & Park, 2005; Zhou, Delios, & Yang, 2002). Among them, some focused on firm characteristics such as size, experience, capabilities, and level of internationalization, and their interactions with contextual variables (Gaba et al., 2002; Guillen, 2003; Li & Park, 2006; Makino et al., 2002). Some highlighted the importance of social considerations and inter-firm learning, such as legitimacy and imitation (Guillen, 2002, 2003; Kuilman & Li, 2006; Li et al., 2007; Xia et al., 2008). Two studies compared FDI locations across nations, including China (Makino et al., 2002; Pak & Park, 2005), and three others compared FDI locations within China, giving more systematic recognition to China's regional diversity (Chang & Park, 2005; Li & Park, 2006; Zhou et al., 2002).

Publications of consequences in the later period recognized a new outcome: FDI spillovers to domestic firms. Some studies attempted to verify the existence of FDI spillovers by studying labor productivity, skills development, survival rates, or innovation of domestic firms (Buckley et al., 2002, 2007a; Buckley, Clegg, Zheng, Siler, & Giorgioni, 2007b; Chang & Xu, 2008; Gamble, 2006b; Wei & Liu, 2006). Others started to identify various spillover mechanisms, including labor employment and motility, spatial agglomeration, technological imitation and diffusion, greenfield R&D activities, and others (Buck, Liu, Wei, & Liu, 2007; Liu & Zou, 2008; Tian, 2007).

*International joint ventures* Consistent with Werner (2002: 284), articles in this category mainly addressed partner selection and relations and the consequences of IJVs. In the early period, scholars were interested in some unique characteristics of Sino-foreign JVs (Beamish & Wang, 1989; Wang, Wee, & Koh, 1999) and in the negotiation and formation of IJVs in China (Shan, 1991; Wagner, 1990). Some examined the differences and relations between foreign JV partners and their partners in China (Baird, Lyles, & Wharton, 1990; Hoon-Halbauer, 1999; Osland & Cavusgil, 1998; Pan, 1997; Walsh, Wang, & Xin, 1999). Others focused on knowledge acquisition, satisfaction of foreign partners, and the stability of IJVs (Inkpen & Beamish, 1997; Lasserre, 1999). In addition, scholars examined the structure of equity ownership and control mechanisms adopted in IJVs (Child & Yan, 1999; Pan, 1996). Specific strategy and management practices adopted by IJVs were investigated as well, including product selection (Brujin & Jia, 1993), conflict resolution (Lin & Germain, 1998), organizational justice (Leung, Smith, Wang, & Sun, 1996), and personnel matters (Björkman & Lu, 1999b; Holton, 1990).

As to the consequences, one article showed that IJV formation in China has a positive impact on foreign investors' stock value in their home market (Hu, Chen, & Shieh, 1992). Some others showed that appropriate partner selection and business arrangements have important implications for IJV performance, including accounting return, local sales, growth, and survival (Li, Xin, Tsui, & Hambrick, 1999; Luo, 1995, 1997b, 1998c; Yan & Gary, 1994).

In the later period, in addition to the continuing interests in the unique characteristics of IJV partnerships in China (Jolly, 2005), and specific strategy or management practice found in IJVs in China (Chen & Wilson, 2003; Child & Yan, 2001; Shi, 2001b; Wong, Ngo, & Wong, 2003; Zhou & Li, 2008), scholars became more interested in two-way interactions, differences and conflicts between foreign and local partners, departing from the thrust of previous research which focused mainly on the interests of foreign investors. For instance, articles explored mutually credible threats between partners in IJVs (Zhang & Rajagopalan, 2002), inter-partner differences in preferred conflict handling styles (Wang, Lin, Chan, & Shi, 2005), disparate ways of accessing IJV performance (Mohr, 2006), and inter-partner dyadic relationships (Luo, 2007c). Some articles examined conflicts between partners (Hambrick, Li, Xin, & Tsui, 2001), and some looked at opportunistic behaviors (Luo, 2007a), and how an appropriate IJV contract could curtail partners' opportunism (Luo, 2002a, 2005b). In addition, foreign ownership structure and parent control have been compared between IJVs with parents coming from different source countries (Pan, 2002). The evidence suggests that ownership structure and parent control have critical implications for the tradeoff between risk and return in IJVs (Chen, Yu, & Hu, 2002) and the probability of achieving the partners' strategic objectives (Yan & Gray, 2001).

In their approach to IJV performance, articles examined inter-partner dynamics, including inter-partner fit (differences) and interactions (Li & Hambrick, 2005; Li et al., 2002; Luo, 2002b; Luo & Park, 2004; Wong & Ellis, 2002; Yan & Duan, 2003), ownership and contract designs (Luo & Tan, 2003), and a combination of the two (Gong, Shenkar, Luo, & Nyaw, 2007; Luo, 2002c). Aspects of operation and management were shown to be important for IJV performance, specifically parent control (Child & Yan, 2003; Luo, Shenkar, & Nyaw, 2001a; Yan & Child, 2004),

ownership and trust (Lin & Wang, 2008), and personnel practices (Gong, Shenkar, Luo, & Nyaw, 2005). In addition, IJV performance has been found to be associated with a number of strategy practices such as R&D intensity (Zhang, Li, Hitt, & Cui, 2007), entry timing (Isobe, Makino, & Montgomery, 2000; Li, Lam, & Qian, 2001), strategic responses to a dynamic environment (Luo, Tan, & O'Connor, 2001b), attempts to achieve internal and external legitimacy through both foreign and local parents (Lu & Xu, 2006; Luo, 2002d), and affiliating with local business groups (Lu & Ma, 2008). An integrative framework has been suggested to synthesize these findings and highlight the success factors for managing IJVs in China (Nippa et al., 2007).

Some articles concentrated on home- or host-country reactions to IJV formation in China. Their findings showed that the stock market reactions to Sino-European JV announcements were not always positive as found earlier, but differed in various European stock markets and over different periods (Meschi & Cheng, 2002; Meschi & Hubler, 2003).

*Strategic alliances/networks* This category groups studies of inter-organizational or individual relationships, but excludes formal equity ownership relationships, which have been included in the IJV category. Similar to Werner's (2002: 287) observations, articles in this category mainly examined alliance and network relations and their consequences.

Relationship studies examined the cooperative strategies between foreign firms and their partners in China (Pan & Tse, 1996), the relationship of foreign investors and their subsidiaries with local governments (Chen, Chen, & Ku, 2004), and the various factors that impact the formation, evolution, and management of international alliances in China (Dong & Glaister, 2007; Hitt, Ahlstrom, Dacin, Levitas, & Svobodina, 2004; Wang & Nicholas, 2007; Yu & Liao, 2008). Consequence studies mainly focused on the strategic outcome and performance of various alliance strategy or networks. Both intra- and inter-firm linkages were found to have important impacts on foreign firms' location choices (Chen & Chen, 1998). Some studies demonstrated that the performance of a foreign-invested firm in China was associated with the nature of its *guanxi* network (Luo, 1997a; Luo & Chen, 1997), and its managerial ties and connections with the business community and government officials (Gao, Xu, & Yang, 2008b; Li, 2005), and its adoption of an alliance-based sourcing strategy (Murray, Kotabe, & Zhou, 2005). Others showed that the performance of international alliances depended on their organization and management, including personal attachments and trust between the partners (Luo, 2001a, 2002e), partners' shared perceptions of procedural justice (Luo, 2005a), and economic integration between alliance members (Luo, 2008). In addition, local Chinese firms were shown to become more stable after allying with a powerful foreign investor (Guthrie, 2005).

*Multinational enterprises/subsidiaries* This category focuses on strategy and management in MNEs and their subsidiaries in China, but excluding FDI/foreign entry strategies or alliance/network related strategies (already covered in other categories). Articles in this category addressed two major themes: MNE/subsidiary local strategy and management, and MNE/subsidiary performance. In an early initiative, many articles focused on competitive strategies, HRM adaptation, and

expatriate control and management of MNEs' subsidiaries in China (Anand & Delios, 1996; Björkman & Lu, 1999a; Nauman, 1993; Selmer, 1999; Sergeant & Frenkel, 1998; Taylor, 1999; Wong & Law, 1999). The remaining studies showed that marketing strategies, ownership structure, and length of experience were all significantly related to the performance of MNEs and subsidiaries (Chen, 1999; Luo, 1999a).

In the later period, some scholars began to investigate the interactions between MNE subsidiaries and critical local actors such as the government and local senior executives (Luo, 2001c; Peng, 2000), and how the subsidiaries manage China's political and social forces (Luo, 2006b). Others focused on specific aspects of operations in China such as negotiations with Chinese managers (Ghauri & Fang, 2001; Shi, 2001a), accumulating experience and capability building (Gao, Pan, Lu, & Tao, 2008a; Luo, 2002f), local responsiveness and resource commitment (Fryxell, Butler, & Choi, 2004; Luo, 2001b, 2004), and the management of expatriate and local personnel (Gamble, 2006a, Law, Tse, & Zhou, 2003; Peng & Beamish, 2007; Zhang, George, & Chan, 2006). Specific local strategies and tactics have been examined as well, such as local sourcing practices (Brookfield & Liu, 2005), anti-piracy strategy and IP protection (McGaughey, Liesch, & Poulson, 2000; Yang, 2005; Yang, Fryxell, & Sie, 2008), and local environmental protection policy (Child & Tsai, 2005). Luo (2007b) emphasized China's shifting competitive and regulatory environments, and the changes in the dominant strategies adopted by MNEs in China that resulted.

The remaining articles addressed MNE and/or subsidiary performance. They demonstrated that a foreign subsidiary's performance was related to its strategic orientation (Luo & Park, 2001), its ownership structure (Tan, 2002; Zhao & Luo, 2002), and its local sourcing and environmental protection practices (Chan, 2005; Kotabe & Zhao, 2002). Linkages with parents (Luo, 2003; Zhao & Luo, 2002) and the fit between the firm's internal organization and the environment (Child, Chung, & Davies, 2003) were also demonstrated to be important.

*Learning/knowledge management and transfer* Studies in this category mainly addressed the antecedents, processes, and consequences of knowledge transfer associated with foreign-invested firms. An early article (Lo, Yao, & Li, 1986) discussed the requirements for successful transfer of a new service technology from an advanced country to China. Later, Shenkar and Li (1999) introduced absorptive capacity as a principle governing the relationship between knowledge and knowledge search among partners in international cooperative ventures. Other studies found that an MNE's technological competencies and its host country-specific knowledge are both important predictors of the financial and other performance of its subsidiaries in China (Luo, 1999b; Luo & Peng, 1999).

In the later period, antecedent research focused on knowledge transfer between foreign and local partners in IJVs (Li & Scullion, 2006; Tsang, 2002a; Wang & Nicholas, 2005), or from MNE parents to China subsidiaries (Kaufmann & Roessing, 2005; Wang, Tong, & Koh, 2004; Zhao, Anand, & Mitchell, 2005), or between China subsidiaries and their peer subsidiaries in other countries (Zhao & Luo, 2005). Four groups of determinants were identified for knowledge transfer: the nature of knowledge (especially its tacitness) (Cannice, Chen, & Daniels, 2004), parent-specific factors such as the parent's size, experience, capacity, and willingness to transfer knowledge (Tsang, 2002a; Wang et al., 2004), subsidiary-specific factors

such as a subsidiary's ownership structure, incentive system, and capacity and intent to acquire knowledge (Tsang, 2002a; Wang et al., 2004; Zhao & Luo, 2005), and macroeconomic and host country factors such as the strength of intellectual property protection and cultural features (Kaufmann & Roessing, 2005; Li & Scullion, 2006).

Articles addressing knowledge transfer processes focused on transfer mechanisms between foreign and local partners (Lin, 2005; Tsang, 2001, 2002b) or between foreign firms and their local agents (Buckley, Clegg, & Tan, 2003; 2006; Hitt, Li, & Worthington, 2005). Management control and learning-by-doing were found to be the significant knowledge transfer channels (Björkman, Barner-Rasmussen, & Li, 2004; Lin, 2005; Tsang, 2001, 2002b). Foreign investors were found to engage actively in exploratory learning and building *guanxi* with local agents to acquire knowledge of the local business culture, institutional norms, and important social relationships (Buckley et al., 2006; Hitt et al., 2005). The remaining articles focused on R&D activities by foreign firms in China (Luo, 2006a; Zhao, 2006). Learning and knowledge transfer was found to be highly related to the brand management practices of MNEs and their Chinese subsidiaries, their governance techniques, their capability building, and thence their success (Hornig & Chen, 2008; Li & Shenkar, 2003; Li & Zhou, 2008; Zou & Ghauri, 2008).

### Theoretical perspectives

In the 1980s and 1990s, transaction cost theory (Pan & Chi, 1999; Pan et al., 1999; Shan, 1991; Tse et al., 1997), I/O economics (Chen, 1999), and trade- and FDI-based theories (including comparative advantage theory, eclectic theory, and stage theory) (Abramson & Ai, 1999; Van De Bulcke et al., 1999; Schroath et al., 1993) were the dominant theoretical perspectives employed by the articles surveyed. Organization learning and network approaches were occasionally referred to (Chen & Chen, 1998; Luo & Peng, 1999; Shenkar & Li, 1999).

In the 2000s, transaction cost theory and trade- and FDI-based theories still prevailed (Chen et al., 2002; Luo, 2002b, 2005b, 2007a; Luo & Tan, 2003; Pan & Tse, 2000; Sethi et al., 2003). Additional economic theories were introduced, including agency theory (Björkman et al., 2004; Child & Tse, 2001; Peng, 2001), agglomeration theory (Chang & Park, 2005; Chang & Xu, 2008; Li & Park, 2006), information processing theory (Gaba et al., 2002; Luo, 2006a, 2007c), and game theory (Kaufmann & Roessing, 2005).

Supplementing the economic theories, management behavioral theories were also applied in this later period, such as justice theory (Luo, 2005a) and social exchange theory (Luo, 2001a). In addition, strategic management and organization theories began to be widely employed, including the resource and capability-based views of the firm (Hitt et al., 2004; Li et al., 2001; Li & Zhou, 2008; Luo, 2002f; Yan & Child, 2004; Zhang et al., 2007), learning and knowledge management theory (Li & Shenkar, 2003; Markino et al., 2002; Tsang, 2002b; Xia et al., 2008), resource dependence theory (Frynas, Mellahi, & Pigman, 2006; Luo, 2003; Murray et al., 2005), institutional theory (Lu & Ma, 2008; Luo, 2005b; Peng, 2003), organizational ecology (Chang & Park, 2005; Guillen, 2002; Kuilman & Li, 2006; Li et al., 2007; Zhou & Li, 2008), and strategic network theory (Christmann & Taylor, 2001).



Clearly, the theoretical lenses employed by scholars in studying foreign business management in China have been shifting from economic, trade- and FDI-based theories to multidisciplinary approaches. This shift is consistent with what has been observed in IM research worldwide (Lu, 2003). Nevertheless, the application of organization theories to foreign businesses in China has lagged behind their application in other contexts. For instance, applying institutional theory has become quite popular in IM research in the 1990s (Lu, 2003). Yet this theory was not widely employed in the studies surveyed until after the turn of the century. Similarly, organization learning and knowledge management theory has been widely applied in the 1990s in IM research (Barkema & Vermeulen, 1998; Chang, 1995; Gupta & Govindarajan, 1991; Mathews & Cho, 1999), but in the studies surveyed, except for a few early studies of IJVs (Inkpen & Beamish, 1997; Luo & Peng, 1999; Shenkar & Li, 1999), such approach was not adopted until after 2000.

### Contextualization and future research

China has become one of the most important contexts for IM research over the last two decades (Kirkman & Law, 2005). Our literature mapping shows that the surveyed research has defined and addressed some important management phenomena and issues that occurred in China and other emerging economies, but less often or very differently in developed economies. These include FDI spillovers to domestic firms, partner dynamics and interactions in IJVs, network ties with government officials, local adaptation by MNEs and their subsidiaries, and learning and knowledge transfer in a market with weak intellectual property rights protection. The differences have led scholars to seek extensions, modifications, and even replacements of theories developed for Western contexts (Child & Tse, 2001; Shenkar & von Glinow, 1994; Tsui, 2007).

In addition, research on foreign business management in China is a subset of the IM research. It has been criticized for lack of rigor and theoretical novelty (Meyer, 2006; White, 2002), uncertain external validity and lack of generalizability for the findings (Nippa et al., 2007), as well as bearing the limitations of IM research in general (Tsui, 2007).

Management scholars and journal editors have strongly advocated that pursuing deep contextualization is a way to seek extensions and modifications of theories, and improve the rigor and theoretical innovation of IM research on China (Tsui, 2006, 2007; Whetten, 2002). Contextualization means describing, understanding, and theorizing about the phenomena under study in the context (Tsui, 2006: 2). Deep contextualization essentially requires incorporating the context into empirical models and into theory building (Rousseau & Fried, 2001; Tsui, 2006). Beyond environmental opportunities and threats, the context primarily includes the political and legal systems, and the location's stage of economic development (Tsui, 2006). A national context is the result of the nation's history, geography, economy and all that has transpired to produce the situation studied. Therefore, we attempt below to contextualize China's market transition with an aim not only to integrate the findings and contributions of the surveyed studies, but also to highlight the shifting focuses of foreign business management in China and identify important directions for future research.

## Contextualizing China's market transition: A three-stage model

China's particular political, legal, and economic attributes have often been discussed in the studies surveyed, and sometimes empirically analyzed, but these factors have usually been modeled as cross-sectional variables. Little research has looked at China's institutional and economic transition systematically over time. Hence, a key area for more research is the question of how foreign businesses have responded and changed, and perhaps will still be responding and changing to adapt to the market transition characterizing the Chinese context.

Since economic reforms began in 1979, China has moved from a relationship-based market structure to a more rule-based competition (North, 1990; Peng, 2003). The transition has been shown to have influenced the emergence and development of domestic private firms and entrepreneurship significantly (Ahlstrom, Chen, & Yeh, 2010; Li & Yang, 2006; Yang & Li, 2008). The transition should presumably have affected foreign businesses in China as well. In such a continuously changing context, the contextualization of any research needs to be time-specific, or there is a risk that any findings could be spurious, incomplete, or no longer applicable, causing confusion.

Scholars have noted and documented the changes affecting foreign businesses in China (Sethi et al., 2003) and attempted to conceptualize and theorize in light of these trends (Child & Tse, 2001; Luo, 2007b; Peng, 2003). Child and Tse (2001) regarded institutional change as the central and most consequential contextual aspect of the Chinese business environment. They identified several key characteristics of China's institutions and formulated a set of propositions summarizing their relevance for foreign businesses. Luo (2007b) focused on China's shifting competitive and regulatory environment and the implications for MNEs. He suggested that MNEs operating in China were no longer merely "foreign investors," but had become "strategic insiders" who could and should view their China operations as key to their overall corporate success. Peng (2003) developed a two-phase model of institutional transition and suggested that foreign investors have different preferences about governance structures in the two phases.

Peng's (2003) two-stage model might profitably be extended into a three-stage model to contextualize the stage nature of market transition in China. The early stage (Phase I) refers to the period when relationship-based and personalized transactions dominate. By Phase III, a rule-based and impersonalized transaction mode comes to dominate (North, 1990; Peng, 2003). The intermediate stage (Phase II) spans the transition between the two.

China's market transition has been toward a free market system and integration with the global economy. This has involved building various market-supporting institutions, largely defined in terms of establishing political, legal, and economic mechanisms that are intended to create an environment with predictable "rules of the game" (North, 1990). There is evidence that the more rule-based environment has indeed fostered efficiency and accountability (Child & Tse, 2001). Political and legal institutions are associated with procedures, provisions, rules, and norms that guide the structure of the polity, political decision-making, regulation, and legislation (Acemoglu & Johnson, 2005; Hall & Taylor, 1996; North, 1990). Economic institutions define the rules, procedures, and norms in allocating resources, goods,



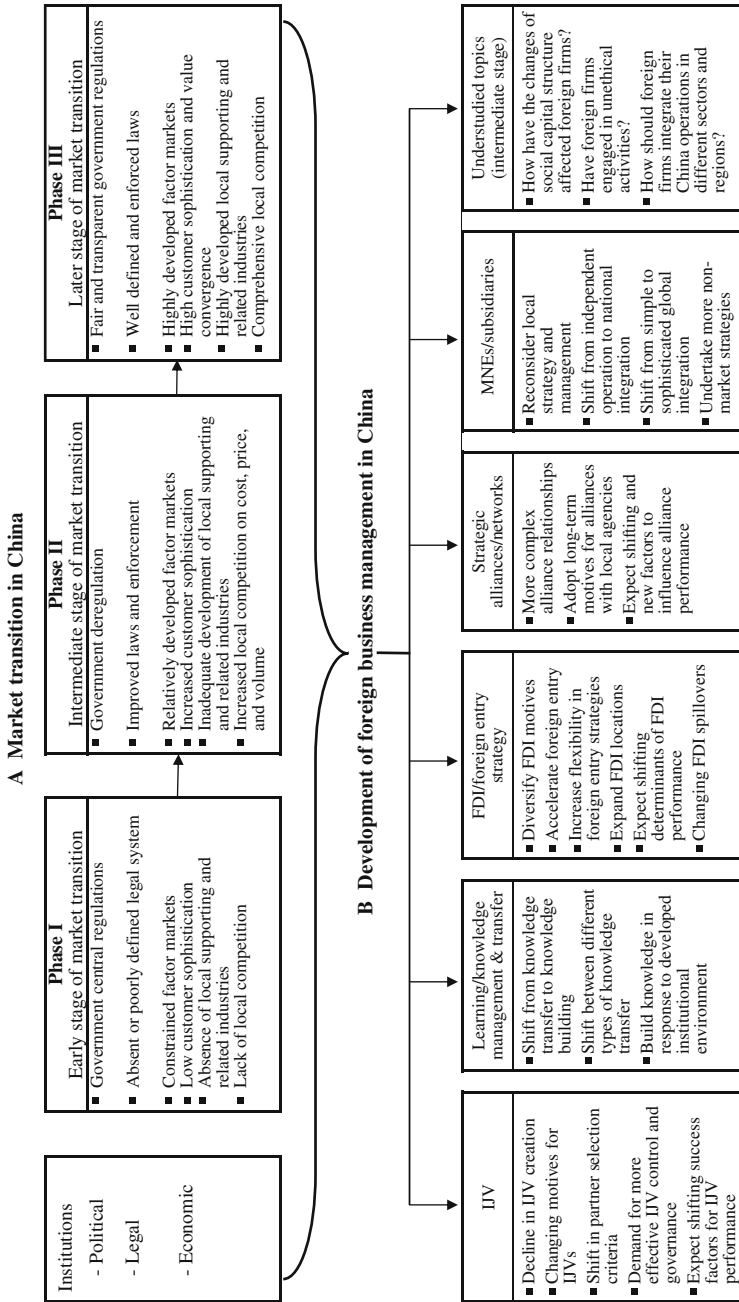
and services and set the fundamental context for economic growth (Porter, 1990). The changes in all these three spheres—political, legal, and economic institutions—are the essential features of China's market transition. Figure 1 (part A) presents a framework, reflecting the varying institutional conditions across the three stages, with a much higher level of complexity in the intermediate stage.

During Phase I, China's political and legal systems were underdeveloped. Governments played a central and dominant role in resources control and much economic activity (Peng, 2003; Xin & Pearce, 1996). They protected state-owned enterprises and discriminated against other types of firms. Although foreign firms, considered more important than domestic private firms, enjoyed some favorable policies and treatment (e.g., tax benefits), they were subject to restrictions on foreign currency exchange, employing labor and land use (Luo, 2007b; Tai, 1988; Tse et al., 1997). The legal system which would normally regulate foreign entries and their operations and support free market competition was largely absent or poorly defined (Child & Tse, 2001; Luo, 2007b).

In the subsequent Phase II, China has made a progress in developing its regulatory landscape and legal system. The central government has begun to formalize FDI- and MNE-related rules and policies, deregulate previously restricted industries, reduce FDI entry hurdles, gradually relax restrictions on foreign ownership, and decentralize authority to lower level government units (Child & Tse, 2001; Luo, 2000). In addition, the Chinese authorities have been actively building and reforming the legal system, including laws governing the status and operation of foreign firms (the Joint Venture Law of 1988) and laws to promote competition and protect intellectual properties (the Advertising Law of 1994, Price Law in 1997, Trademark Law in 1982, Patent Law in 1984, and Copyright Law in 1990). Nevertheless, these laws in China are still regarded as a "tool of state administration" (Lubman, 1995). The implementation of these laws has been still unpredictable, and this has remained a major source of uncertainty for MNEs (Peng & Health, 1996; Zhao, 2006). As a result, enforcement has been considered a much more serious problem than the laws themselves (Boisot & Child, 1999; Luo & Peng, 1999; Zhao, 2006).

As China moves into Phase III, political and legal systems will be much more completely developed. Regulatory institutions will become more effective, fair, and transparent. Legal requirements should therefore be better defined and their enforcement stronger and consistent. At some point most of the obstacles to free market competition will have been cleared away, and China will have become a functioning market economy. Foreign firms will make decisions based on the expectation that market mechanisms will operate as much as if they were in any other advanced market economy.

A nation's economic institutions, another primary feature of the Chinese context, reflect factor conditions, customer demand, related and supporting industries, and firm strategy, structure, and rivalry (Porter, 1990). These attributes were extremely underdeveloped when China began its market transition. Raw materials, labor, and capital were controlled by the government, and factor markets were largely absent. Chinese consumers, brought up in a planned economy, barely knew whether they had any bargaining power or how to use it. Time was needed to educate and develop them into sophisticated and demanding customers. The related support systems,



**Figure 1** Market transition and development of foreign business management in China

including infrastructure, a services sector, supply chains and distribution networks, all failed to meet international standards and gave only limited support to foreign businesses. Still, China's fast-growing market and weak domestic competition made entry attractive.

In Phase II, the factor conditions, customer sophistication, and supporting industries have all achieved significant improvements, but China is still in transition. Factor markets, most notably labor and financial markets, have been developing quickly. This has facilitated foreign firms' access to local resources through market channels. Moreover, with government deregulation, foreign businesses have been permitted and encouraged to directly engage in the development of factor markets, such as the rapid development of international MBA training since the late 1990s. The banking and financial sectors have also opened somewhat to international firms, although with limitations. After years of experience and development, Chinese customers have become much more sophisticated. Chinese suppliers and related industries have gone through significant changes and now offer much improved services. Foreign firms themselves have also been actively involved in upgrading business support systems in China. From accounting, auditing, and management consultancy to courier services, business hotels, and retailing, many service sectors have been opened to and entered by foreign businesses. Local firms have benefited from foreign firms' modern technologies through licensing, IJVs, and alliances, and they have started to engage in global value chain operations both domestically and internationally. Even so, local firms have still not developed sufficient capacity and become strong enough to challenge foreign firms. Competition from local firms has increased, but only to a certain degree, and it has largely focused on cost, price, and volume at the intermediate stage (Li & Atuahene-Gima, 2001; Li & Yang, 2006).

By the time China moves to Phase III, domestic firms will have developed their technological capabilities more highly, and the gap between them and MNEs will be considerably narrowed. Customers in China will become much more sophisticated and demanding, calling for more innovative and differentiated products and services. Supporting and related industries will mature in response to the demand placed on them by their customers and the firms who supply the final product markets. By then, local firms will be able to compete with foreign firms as equals and focus more on innovation, product differentiation, and quality (Li & Yang, 2006).

The three transition stages have impelled foreign businesses to change their strategies and management, as predicated by advocates of the co-evolution approaches (Lewin & Volberda, 1999) and also by the need for environment-strategy fit when the environment changes (Miller & Friesen, 1983). The intermediate stage of market transition is a complex and long-term process, and could take decades to complete. Market transition in China is incremental and also unbalanced among different regions and industrial sectors. At this point, China is still perceived as largely struggling through this intermediate stage.

#### Implications and future research

Based on the above three-stage market transition, we are able to contextualize the findings of the surveyed studies, and better understand the shifting focuses of foreign business management within each IM topic in the literature mapping. The model can

also help us identify gaps in the studies, and highlight some important avenues for future research (Part B of Figure 1).

*IJVs* Foreign investors often perceived IJVs as an entry mode best suited to the institutional environment during the initial stages of market transition (Beamish, 1993; Peng, 2003; Xia et al., 2008; Yan & Gray, 1994). Scholars have noted that in the later stages of market transition where market structure becomes more impersonalized and rule-based and political and regulatory institutions become more predictable, foreign entrants have increasingly preferred wholly owned subsidiaries and acquisitions over IJVs (Meyer & Estrin, 2001; Peng, 2003; Uhlenbruck & de Castro, 2000; Xia et al., 2008).

This shift of focus suggests that the motives for IJV formation, the principles of partner selection and relations, and the determinants of IJV success should have changed as well. In the early stage of market transition, foreign investors tended to form IJVs with local firms to reduce political risk, gain legitimacy, and get access to local resources like land, trained personnel, and support services, and also to build relations with government officials and local business networks. As market transition has proceeded to an intermediate or advanced level, foreign firms' perceived risk of independent operation is reduced. In addition, as domestic firms have gradually improved their technology and capabilities, the competitive superiority of foreign business tended to decline. Consequently, local firms would not only depend less on foreign firms, but also increasingly become their strong challengers in the domestic or even the world market. As a result, motivations for IJV formation have decreased for both foreign and local firms. Such decreasing motivation further suggests that the partner selection in IJVs has become more strategy-oriented, and tended to depend more on how two firms complement each other and the ability of the joint entity to develop sustainable competitive advantages. Hence, partners have become mutually more demanding. This has increased tension and conflicts between the partners, which request for more effective control and governance in IJVs (Luo, 2005b, 2007c). Clearly all of these shifts have important implications for IJV performance. The success factors for managing an IJV are thus dynamic and become increasingly complex. Future studies are needed to analyze these changes and their implications.

*Learning/knowledge management and transfer* Foreign investors in the early period tended to focus on transferring their competence and resources to their China subsidiaries, which aligned well with their goal of expanding the existing business and having a small local presence (Luo, 2007b). This approach was generally perceived as adequate when foreign firms' competitive advantages placed them far ahead of local firms. Later, foreign firms, facing an increasingly competitive environment, needed to build new competencies to sustain their competitive superiority (Williamson & Zeng, 2004). Recently, scholars have begun to note the learning, upgrading, and new capability development of foreign firms in China, although China's IP protection, for instance, is still problematic (Luo, 2006a; Zhao, 2006). Along with the market transition, foreign businesses have been shifting their focus from knowledge transfer to new knowledge and capability building, and one area for future research is to follow this development as it continues.

The research in our survey has documented three types of knowledge transfer—from headquarters to Chinese subsidiaries, between Chinese subsidiaries and subsidiaries in other locations, and from Chinese subsidiaries to their parent companies (Buckley et al., 2003; Wang et al., 2004; Zhao & Luo, 2005). Attempts have been made to understand the antecedents, mechanisms, and consequences of these different transfers. Nevertheless, it is still unclear how they relate to the market transition in China. In addition, little is known about how foreign firms build new knowledge and competence in China or about the outcomes of such efforts. Future research on the antecedents, processes, and consequences of new knowledge building by foreign firms, and their interplay with China's institutions will need to integrate the impact of changes in those institutions as they continue.

*FDI/foreign entry strategy* It has been noted that motives of foreign entrants in China have become much more diverse than before when resource- and market-seeking were the primary motivations (Makino et al., 2002). Attracted by the fast developing economic institutions and the continuous improvements in regulatory and legal institutions, foreign investors have been accelerating their entry rates and increasing the size of their investments (Cui, 1998; Pak & Park, 2005). In addition, foreign firms have become more flexible in adopting a greater variety of entry and operating modes, and in expanding their operations into inland and western areas in China. This development can be expected to continue, and this suggests that more research is needed to address this shift.

The determinants to FDI performance would be expected to change along the market transition. In the early stage, FDI performance was considered to be highly dependent on employing the right entry strategy which could attract legitimacy and access to valuable local resources and support. In the later stages, as legitimacy and resource access became a lesser concern, FDI performance seems to have been more determined by the management and organization of the business rather than any particular entry strategy.

In addition, it has been documented that FDI spillovers occurred mainly in manufacturing and that they contributed to productivity improvement and technology diffusion in the early stages (Buckley et al., 2002). Later, as FDI continues to spread to non-manufacturing sectors like retailing, insurance, hospitals, accounting and banking, and foreign firms become better integrated with local business communities, spillovers presumably will spread as well and then contribute to enhancing many local firms' capabilities significantly. Confirming this prediction is an area for future research.

*Strategic alliances and networks* Early foreign investors were found to build alliances and networks with local governments, suppliers, distributors, and others through equity investment or cooperative forms to invest and operate in China (Chen & Chen, 1998; Chen et al., 2004; Luo, 1997b). Improvements in China's political, legal, and economic institutions have removed many of these initial rationales for entering alliances with local firms. As a result, many previously existing alliances have now been terminated or restructured. On the one hand, foreign investors have tended to seek greater control over alliance operations by increasing equity ownership to become either majority or sole owners (Luo, 2007b). Or, they have started to develop more collaboration with locals in some areas where there was little cooperation before, such

as conducting R&D, sharing a customer base, or building distribution channels. Cooperation can exist even among competitors. In any case, the model developed here suggests that alliance relationships between foreign investors and locals will become more complex, again an area for future research and again one that requires sensitivity to contextual changes.

Later foreign investors have tended to adopt a longer term view of their China operations, and to look for “win-win” scenarios with local partners and getting a bigger piece of an expanding pie. This longer perspective fits the predictions of the model, and suggests further that the activities of foreign firms may promote extension of the boundaries of alliances and networks to engage in improving economic infrastructure, building nation-wide supply chains and research facilities, and enhancing their industry competence (Porter, 1990; Luo, 2007b). As a result, research should examine the consequences of these new alliances and networks, and seek to understand what will make them successful. A number of factors, such as trust, personal attachment, and procedural justice have been found to be associated with alliance performance (Luo, 2001a, 2005a). Further research is needed to understand how the changing market environment in China affects the operation of these factors and influences alliance performance in consequence.

*MNEs/subsidiaries* Our literature survey has documented some specific MNE competitive actions in areas including local marketing, sourcing, environmental protection, HRM, and expatriation (Anand & Delios, 1996; Kotabe & Zhao, 2002; Luo, 2006a; Zhao & Luo, 2002). Nevertheless, the development of China’s competitive and regulatory landscapes will continue to encourage MNEs and their subsidiaries to reconsider their local strategy and management practices.

Early foreign subsidiaries in China were usually disconnected and operated independently. As market transition has progressed, MNEs have increased the numbers of their entries in China and built up an increasing number of subsidiaries in a variety of forms, sectors, and locations. Without appropriate national integration, the subsidiaries might fail to collaborate which could result in redundancy and duplication of various functions and activities such as product development, marketing, and public relations. One solution would be to build a regional headquarters or set up an umbrella company (Luo, 2007b; Perez, Meier, & Woetzel, 1995). This is an emerging phenomenon in China which has recently been noted yet not been well researched.

MNEs and their Chinese subsidiaries also face growing pressure to integrate their operations into a global network. In the past, MNEs generally relied on local agents, their headquarters, and subsidiaries in more developed countries for activities such as procurement, R&D, branding, sales, distribution, training, and personnel policies. This involved relatively simple integration between China and global operations. This pattern, however, became less effective when foreign investors began pursuing large-scale operations and sales in the Chinese market (Perez et al., 1995), and had to cope with increasing domestic competition from cost-cutting locals offering quicker turnaround time and better sensitivity to local demands (Shenkar & Yan, 2002). To increase effectiveness, more value chain activities came to be localized. Foreign investors have thus become much more active in establishing primary value chain activities in China, including local supply bases, warehouse centers, distribution



networks, service centers, and the like. The more value chain activities are localized in China, the more complexity an MNE faces in integrating its China operations with its global ones.

In line with both national and global integration, MNEs and their subsidiaries have shifted the focus of their early-time local strategies to engage more in non-market activities like social responsibility campaigns, philanthropy, and environmental protection practices. More research is needed to understand this emerging phenomenon, and to examine these new local strategies and management practices and their performance implications for MNEs and their subsidiaries in China.

*Understudied topics in the intermediate stage* The intermediate stage in fact is an essential part of China's market transition. Unfortunately, scholars have not yet researched it sufficiently. Many peculiar and intriguing issues emerge mostly in this phase. For instance, China witnessed changes in its *guanxi*, network ties, and social capital structure which were considered one of key reasons causing the underdevelopment and organizational dysfunction during the transition stage, such as market fragmentation and rent-seeking activities (Huang, 2008; Lin & Si, 2010). How have these changes of social capital structure affected the behaviors and strategy of foreign firms? Has foreign firms' presence and participation ameliorated or deteriorated the problems? How would foreign business influence the general social and cultural environment in China (Bhagat, McDevitt, & McDevitt, 2010)?

During the intermediate stage, as the government agencies gradually stepped out from direct business operations, rapid economic development with lagging legal and regulatory systems has created a chaotic environment where unethical behavior, fraud, and agency problems tended to emerge (Ahlstrom, Young, & Nair, 2002; Dharwadkar, George, & Brandes, 2000; Zapalska & Edwards, 2001). How have foreign firms dealt with these issues? Also have the foreign firms themselves engaged in any kinds of the misbehavior in China? If so, how would these actions be influenced or even motivated by the ongoing changes in the institutional environment?

In addition, given the incremental and unbalanced nature of China's market transition during the intermediate stage, industrial sectors and regions are likely to evolve at different speeds, generating substantive variations within China. How would foreign investors respond to such internal variations and integrate their China operations across different sectors and regions? The model provides a framework in which these important issues would not be overlooked, and will be addressed in future research.

### Concluding remarks

This paper was designed to provide an overview of research on the development of foreign business management in the People's Republic of China. We have reviewed 193 articles which were published in 13 international academic journals, but like previous surveys of China research, this one has some limitations. We selected at the outset what we considered to be the most relevant management journals published in English, but we were unable to investigate contributions made in other

languages, especially Chinese. Our method has also prevented us from dealing with books. Probing in these directions is one way to extend our results. In addition, when classifying articles into IM topics, some of the articles could certainly have been classified differently. That would not, though, substantially change the findings.

This review did not attempt to identify the individual or institutional contributors to this topic, or to judge the impact or quality of particular articles. The mapping structure was not meant to be a definitive one for IM research, or even research into business in China. Instead it was presented to assist readers in organizing the considerable number of articles regarding foreign business management in China, and to assist them in better understanding the literature, identifying the areas where substantial progress has been made, and also showing some gaps for future research.

We have, however, organized and systematized the growing number of research articles focusing on foreign business management in China over the past 29 years, and presented an overview of the development of this research area. Secondly, using Werner's (2002) framework to organize the literature has allowed us to compare the work on China with trends in global IM research. This approach shows that management research of foreign businesses in China is not simply an extension of global IM research. It has its own particular topics. Lastly and most importantly, we applied a three-stage model of market transition to help elucidate how foreign firms have adapted themselves and shifted their strategy and management practices in China during the long-haul market transition process. This model both helps contextualize the IM research on China and highlights some areas for future work on foreign business management in China and in emerging economies in general.

## References

- \* Abramson, N. R., & Ai, J. X. 1999. Canadian companies doing business in China: Key success factors. *Management International Review*, 39(1): 7–35.
- Acemoglu, D., & Johnson, S. 2005. Unbundling institutions. *Journal of Political Economy*, 113(5): 949–995.
- Ahlstrom, D., Chen, S.-j., & Yeh, K. S. 2010. Managing in ethnic Chinese communities: Culture, institutions, and context. *Asia Pacific Journal of Management*, 27(3): 341–354.
- Ahlstrom, D., Young, M. N., & Nair, A. 2002. Deceptive managerial practices in China: Strategies for foreign firms. *Business Horizons*, 45(6): 49–59.
- \* Anand, J., & Delios, A. 1996. Competing globally: How Japanese MNCs have matched goals and strategies in India and China. *The Columbia Journal of World Business*, 31(3): 50–62.
- \* Baird, I. S., Lyles, M. A., & Wharton, R. 1990. Attitudinal differences between American and Chinese managers regarding joint venture management. *Management International Review*, 30: 53–68.
- Barkema, H. G., & Vermeulen, F. 1998. International expansion through start-up or acquisition: A learning perspective. *Academy of Management Journal*, 41(1): 7–26.
- Beamish, P. W. 1993. The characteristics of joint ventures in the People's Republic of China. *Journal of International Marketing*, 1(2): 29–48.
- \* Beamish, P. W., & Wang, H. Y. 1989. Investing in China via joint ventures. *Management International Review*, 29(1): 57–64.
- Bhagat, R. S., McDevitt, A. S., & McDevitt, I. 2010. On improving the robustness of Asian management theories: Theoretical anchors in the era of globalization. *Asia Pacific Journal of Management*, 27(2): 179–192.
- \* Björkman, I., Barner-Rasmussen, W., & Li, L. 2004. Managing knowledge transfer in MNCs: The impact of headquarters control mechanisms. *Journal of International Business Studies*, 35: 443–455.



- \* Björkman, I., & Lu, Y. 1999a. A corporate perspective on the management of human resources in China. *Journal of World Business*, 34(1): 16–25.
- \* Björkman, I., & Lu, Y. 1999b. The management of human resources in Chinese-Western joint ventures. *Journal of World Business*, 34(3): 306–324.
- Boisot, M., & Child, J. 1999. Organizations as adaptive systems in complex environments: The case of China. *Organization Science*, 10(3): 237–252.
- \* Brookfield, J., & Liu, R. J. 2005. The internationalization of a production network and the replication dilemma: Building supplier networks in mainland China. *Asia Pacific Journal of Management*, 22(4): 355–380.
- \* Bruijn, E. J., & Jia, X. 1993. Managing Sino-Western joint ventures: Product selection strategy. *Management International Review*, 33(4): 335–360.
- \* Buck, T., Filatotchev, I., Nolan, P., & Wright, M. 2000. Different paths to economic reform in Russia and China: Causes and consequences. *Journal of World Business*, 35(4): 379–400.
- \* Buck, T., Liu, X., Wei, Y., & Liu, X. 2007. The trade development path and export spillovers in China: A missing link?. *Management International Review*, 47(5): 683–706.
- \* Buckley, P. J., Clegg, J., & Tan, H. 2003. The art of knowledge transfer: Secondary and reverse transfer in China's telecommunications manufacturing industry. *Management International Review*, 43(2): 67–93.
- \* Buckley, P. J., Clegg, J., & Tan, H. 2006. Cultural awareness in knowledge transfer to China: The role of *guanxi* and *mianzi*. *Journal of World Business*, 41(3): 275–288.
- \* Buckley, P. J., Clegg, J., & Wang, C. 2002. The impact of inward FDI on the performance of Chinese manufacturing firms. *Journal of International Business Studies*, 33(4): 637–655.
- \* Buckley, P. J., Clegg, J., & Wang, C. 2007a. Is the relationship between inward FDI and spillover effects linear? An empirical examination of the case of China. *Journal of International Business Studies*, 38: 447–459.
- \* Buckley, P. J., Clegg, J., Zheng, P., Siler, P. A., & Giorgioni, G. 2007b. The impact of foreign direct investment on the productivity of China's automotive industry. *Management International Review*, 47(5): 707–724.
- \* Cannice, M. V., Chen, R., & Daniels, J. D. 2004. Managing international technology transfer risk: Alternatives and complements to ownership structure. *Management International Review*, 1: 129–152.
- \* Chan, R. Y. K. 2005. Does the natural-resource-based view of the firm apply in an emerging economy? A survey of foreign invested enterprises in China. *Journal of Management Studies*, 42(3): 625–672.
- Chang, S. J. 1995. International expansion strategy of Japanese firms: Capability building through sequential entry. *Academy of Management Journal*, 38: 383–407.
- \* Chang, S. J., & Park, S. 2005. Types of firms generating network externalities and MNCs' co-location decisions. *Strategic Management Journal*, 26(7): 595–615.
- \* Chang, S. J., & Xu, D. 2008. Spillovers and competition among foreign and local firms in China. *Strategic Management Journal*, 29(5): 495–518.
- \* Chen, H. 1999. International performance of multinationals: A hybrid model. *Journal of World Business*, 34(2): 157–170.
- \* Chen, H., & Chen, T. 1998. Network linkages and location choice in foreign direct investment. *Journal of International Business Studies*, 29(3): 445–468.
- \* Chen, H., & Chen, T., & Ku, Y. H. 2004. Foreign direct investment and local linkages. *Journal of International Business Studies*, 35(4): 320–333.
- \* Chen, H., Hu, M. Y., & Hu, P. S. 2002. Ownership strategy of multinationals from ASEAN: The case of their investment in Sino-foreign joint ventures. *Management International Review*, 42(3): 309–326.
- \* Chen, S., & Wilson, M. 2003. Standardization and localization of human resource management in Sino-foreign joint ventures. *Asia Pacific Journal of Management*, 20(3): 397–408.
- \* Child, J., Chung, L., & Davies, H. 2003. The performance of cross-border units in China: A test of natural selection, strategic choice, and contingency theories. *Journal of International Business Studies*, 34(3): 242–254.
- \* Child, J., & Tsai, T. 2005. The dynamic between firms' environmental strategies and institutional constraints in emerging economies: Evidence from China and Taiwan. *Journal of Management Studies*, 42(1): 95–125.
- \* Child, J., & Tse, D. K. 2001. China's transition and its implications for international business. *Journal of International Business Studies*, 32(1): 5–21.
- \* Child, J., & Yan, Y. 1999. Investment and control in international joint ventures: The case of China. *Journal of World Business*, 34(1): 3–15.

- \* Child, J., & Yan, Y. 2001. National and transnational effects in international business: Indications from Sino-foreign joint ventures. *Management International Review*, 41(1): 53–75.
- \* Child, J., & Yan, Y. 2003. Predicting the performance of international joint ventures: An investigation in China. *Journal of Management Studies*, 40(2): 283–320.
- \* Christmann, P., & Taylor, G. 2001. Globalization and the environment: Determinants of firm self-regulation in China. *Journal of International Business Studies*, 32(3): 439–458.
- \* Cui, G. 1998. The evolutionary process of global market expansion: Experiences of MNCs in China. *Journal of World Business*, 33(1): 87–110.
- \* Davies, K. 1994. Foreign investment in the retail sector of the People's Republic of China. *The Columbia Journal of World Business*, 29(3): 56–69.
- Dharwadkar, R., George, G., & Brandes, P. 2000. Privatization in emerging economies: An agency theory perspective. *Academy of Management Review*, 25(3): 650–669.
- \* Dong, L., & Glaister, K. 2007. National and corporate culture differences in international strategic alliances: Perceptions of Chinese partners. *Asia Pacific Journal of Management*, 24(2): 191–205.
- \* Frynas, J. G., Mellahi, K., & Pigman, G. A. 2006. First mover advantages in international business and firm-specific political resources. *Strategic Management Journal*, 27(4): 321–345.
- \* Fryxell, G. E., Butler, J., & Choi, A. 2004. Successful localization programs in China: An important element in strategy implementation. *Journal of World Business*, 39(3): 268.
- \* Gaba, V., Pan, Y., & Ungson, G. R. 2002. Timing of entry in international markets: An empirical study of US Fortune 500 firms in China. *Journal of International Business Studies*, 33(1): 39–55.
- \* Gamble, J. 2006a. Introducing Western-style HRM practices to China: Shopfloor perceptions in a British multinational. *Journal of World Business*, 41(4): 328–343.
- \* Gamble, J. 2006b. Multinational retailers in China: Proliferating 'McJobs' or developing skills?. *Journal of Management Studies*, 43(7): 1463–1490.
- \* Gao, G. Y., Pan, Y., Lu, J., & Tao, Z. 2008a. Performance of multinational firms' subsidiaries: Influences of cumulative experience. *Management International Review*, 48(6): 749–768.
- \* Gao, S. X., Xu, K., & Yang, J. 2008b. Managerial ties, absorptive capacity, and innovation. *Asia Pacific Journal of Management*, 25(3): 395–412.
- \* Ghauri, P., & Fang, T. 2001. Negotiating with the Chinese: A socio-cultural analysis. *Journal of World Business*, 36(3): 303–325.
- \* Gong, Y., Shenkar, O., Luo, Y., & Nyaw, M. K. 2005. Human resources and international joint venture performance: A system perspective. *Journal of International Business Studies*, 36(5): 505–518.
- \* Gong, Y., Shenkar, O., Luo, Y., & Nyaw, M. K. 2007. Do multiple parents help or hinder international joint venture performance? The mediating roles of contract completeness and partner cooperation. *Strategic Management Journal*, 28(10): 1021–1034.
- \* Guillen, M. F. 2002. Structural inertia, imitation, and foreign expansion: South Korean firms and business groups in China, 1987–1995. *Academy of Management Journal*, 45(3): 509–525.
- \* Guillen, M. F. 2003. Experience, imitation, and the sequence of foreign entry: Wholly owned and joint-venture manufacturing by South Korean firms and business groups in China, 1987–1995. *Journal of International Business Studies*, 34(2): 185–198.
- Gupta, A. K., & Govindarajan, V. 1991. Knowledge flows and the structure of control with multinational corporations. *Academy of Management Journal*, 16: 768–792.
- \* Guthrie, D. 2005. Organizational learning and productivity: State structure and foreign investment in the rise of the Chinese corporation. *Management and Organization Review*, 1(2): 165–195.
- Hall, P., & Taylor, R. 1996. Political science and the three new institutionalisms. *Political Studies*, 44: 936–958.
- \* Hambrick, D. C., Li, D., Xin, K., & Tsui, A. S. 2001. Compositional gaps and downward spirals in international joint venture management groups. *Strategic Management Journal*, 22(11): 1033–1053.
- \* Han, C. M. 2002. Korea's direct investments in China: Technology, experience, and ownership factors in performance. *Asia Pacific Journal of Management*, 19(1): 109–126.
- \* Hitt, M. A., Ahlstrom, D., Dacin, M. T., Levitas, E., & Svobodina, L. 2004. The institutional effects on strategic alliance partner selection in transition economies: China vs. Russia. *Organization Science*, 15(2): 173–185.
- \* Hitt, M. A., Li, H., & Worthington, W. J. 2005. Emerging markets as learning laboratories: Learning behaviors of local firms and foreign entrants in different institutional contexts. *Management and Organization Review*, 1(3): 353–380.
- \* Holton, R. H. 1990. Human resource management in the People's Republic of China. *Management International Review*, 30(Special Issue): 121–136.
- \* Hoon-Halbauer, S. K. 1999. Managing relationships within Sino-foreign joint ventures. *Journal of World Business*, 34(4): 344–371.

- \* Horng, C., & Chen, W. 2008. From contract manufacturing to own brand management: The role of learning and cultural heritage identity. *Management and Organization Review*, 4(1): 109–133.
- \* Hu, M. Y., Chen, H., & Shieh, J. C. 1992. Impact of US-China joint ventures on stockholders' wealth. *Management International Review*, 32(2): 135–148.
- Huang, Y. 2008. *Capitalism with Chinese characteristics: Entrepreneurship and the state*. Cambridge: Cambridge University Press.
- \* Hung, K. H., Gu, F. F., & Yim, C. K. 2007. A social institutional approach to identifying generation cohorts in China with a comparison with American consumers. *Journal of International Business Studies*, 38: 836–853.
- \* Inkpen, A. C., & Beamish, P. W. 1997. Knowledge, bargaining power, and the instability of international joint ventures. *The Academy of Management Review*, 22(1): 177–202.
- \* Isobe, T., Makino, S., & Montgomery, D. B. 2000. Resource commitment, entry timing, and market performance of foreign direct investments in emerging economies: The case of Japanese international joint ventures in China. *Academy of Management Journal*, 43(3): 468–484.
- \* Jolly, D. R. 2005. The exogamic nature of Sino-foreign joint ventures. *Asia Pacific Journal of Management*, 22(3): 285–306.
- \* Kaufmann, L., & Roessing, S. 2005. Managing conflict of interests between headquarters and their subsidiaries regarding technology transfer to emerging markets: A framework. *Journal of World Business*, 40(3): 235–253.
- Kirkman, B., & Law, K. 2005. International management research in AMJ: Our past, present, and future. *Academy of Management Journal*, 48(3): 377–386.
- \* Kotabe, M., & Zhao, H. 2002. A taxonomy of sourcing strategic types for MNCs operating in China. *Asia Pacific Journal of Management*, 19(1): 11–27.
- \* Kuilman, J., & Li, J. 2006. The organizers' ecology: An empirical study of foreign banks in Shanghai. *Organization Science*, 17(3): 385–401.
- \* Lasserre, P. 1999. Joint venture satisfaction in Asia Pacific. *Asia Pacific Journal of Management*, 16(1): 1–28.
- \* Law, K. S., Tse, D. K., & Zhou, N. 2003. Does human resource management matter in a transitional economy? China as an example. *Journal of International Business Studies*, 34(3): 255–265.
- \* Leung, K., Smith, P. B., Wang, Z., & Sun, H. 1996. Job satisfaction in joint venture hotels in China: An organizational justice analysis. *Journal of International Business Studies*, 27(5): 947–962.
- Lewin, A. Y., & Volberda, H. 1999. Prolegomena on coevolution: A framework for research on strategy and new organizational forms. *Organization Science*, 10: 519–534.
- Li, H., & Atuahene-Gima, K. 2001. Product innovation strategy and the performance of new technology ventures in China. *Academy of Management Journal*, 44(6): 1123–1134.
- \* Li, J., Karakowsky, L., & Lam, K. 2002. East meets East and East meets West: The case of Sino-Japanese and Sino-West joint ventures in China. *Journal of Management Studies*, 39(6): 841–863.
- \* Li, J., Lam, K., & Qian, G. 2001. Does culture affect behavior and performance of firms? The case of joint ventures in China. *Journal of International Business Studies*, 32(1): 115–131.
- \* Li, J., & Zhou, C. 2008. Dual-edged tools of trade: How international joint ventures help and hinder capability building of Chinese firms. *Journal of World Business*, 43(4): 463–474.
- \* Li, J. J. 2005. The formation of managerial networks of foreign firms in China: The effects of strategic orientations. *Asia Pacific Journal of Management*, 22(4): 423–443.
- \* Li, J. T., & Hambrick, D. C. 2005. Factional groups: A new vantage of demographic faultlines, conflict, and disintegration in work teams. *Academy of Management Journal*, 48(5): 794–813.
- \* Li, J. T., & Shenkar, O. 2003. Knowledge search and governance choice: International joint ventures in the People's Republic of China. *Management International Review*, 43(3): 91–109.
- Li, J. T., & Tsui, A. S. 2002. A citation analysis of management and organization research in the Chinese context: 1984–1999. *Asia Pacific Journal of Management*, 19(1): 87–107.
- \* Li, J. T., Xin, K. R., Tsui, A., & Hambrick, D. C. 1999. Building effective international joint venture leadership teams in China. *Journal of World Business*, 34(1): 52–68.
- Li, J. T., & Yang, J. Y. 2006. China's domestic private firms: A literature review and directions for future research. In A. S. Tsui, Y. Bian, L. Cheng & M. E. Sharpe (Eds.). *China's domestic private firms: Multidisciplinary perspectives on management and performance*. New York: Sharpe.
- \* Li, J. T., Yang, J. Y., & Yue, D. R. 2007. Identity, community, and audience: How wholly owned foreign subsidiaries gain legitimacy in China. *Academy of Management Journal*, 50(1): 175–190.
- \* Li, S. 2004. Location and performance of foreign firms in China. *Management International Review*, 44(2): 151–169.
- \* Li, S., & Filer, L. 2007. The effects of the governance environment on the choice of investment mode and the strategic implications. *Journal of World Business*, 42(1): 80–98.

- \* Li, S., & Park, S. H. 2006. Determinants of locations of foreign direct investment in China. *Management and Organization Review*, 2(1): 95–119.
- \* Li, S., & Scullion, H. 2006. Bridging the distance: Managing cross-border knowledge holders. *Asia Pacific Journal of Management*, 23(1): 71–92.
- Lin, J., & Si, S. X. 2010. Can *guanxi* be a problem? Contexts, ties, and some unfavourable consequences of social capital in China. *Asia Pacific Journal of Management*, 27(3): 561–581.
- \* Lin, X. 2005. Local partner acquisition of managerial knowledge in international joint ventures: Focusing on foreign management control. *Management International Review*, 45(2): 219–237.
- \* Lin, X., & Germain, R. 1998. Sustaining satisfactory joint venture relationships: The role of conflict resolution strategy. *Journal of International Business Studies*, 29(1): 179–196.
- \* Lin, X., & Wang, C. L. 2008. Enforcement and performance: The role of ownership, legalism and trust in international joint ventures. *Journal of World Business*, 43(3): 340–351.
- \* Liu, X., & Zou, H. 2008. The impact of greenfield FDI and mergers and acquisitions on innovation in Chinese high-tech industries. *Journal of World Business*, 43: 352–364.
- \* Lo, T. W. C., Yau, H. M., & Li, Y. J. 1986. International transfer of service technology: An exploratory study of the case of supermarkets in China. *Management International Review*, 26(2): 71–76.
- Lu, J. W. 2003. The evolving contributions in international strategic management research. *Journal of International Management*, 9: 193–213.
- \* Lu, J. W., & Ma, X. 2008. The contingent value of local partners' business group affiliations. *Academy of Management Journal*, 51(2): 295–314.
- \* Lu, J. W., & Xu, D. 2006. Growth and survival of international joint ventures: An external-internal legitimacy perspective. *Journal of Management*, 32: 426–448.
- Lubman, S. 1995. Introduction: The future of Chinese law. *China Quarterly*, 141: 1–21.
- \* Luo, Y. 1995. Business strategy, market structure, and performance of international joint ventures: The case of joint ventures in China. *Management International Review*, 35(3): 241–264.
- \* Luo, Y. 1997a. *Guanxi* and performance of foreign-invested enterprises in China: An empirical inquiry. *Management International Review*, 37(1): 51–70.
- \* Luo, Y. 1997b. Partner selection and venturing success: The case of joint ventures with firms in the People's Republic of China. *Organization Science*, 8: 648–662.
- \* Luo, Y. 1998a. Timing of investment and international expansion performance in China. *Journal of International Business Studies*, 29(2): 391–408.
- \* Luo, Y. 1998b. Strategic traits of foreign direct investment in China: A country of origin perspective. *Management International Review*, 38(2): 109–132.
- \* Luo, Y. 1998c. Joint venture success in China: How should we select a good partner?. *Journal of World Business*, 33(2): 145–166.
- \* Luo, Y. 1999a. Time-based experience and international expansion: The case of an emerging economy. *Journal of Management Studies*, 36(4): 505–534.
- \* Luo, Y. 1999b. Dimensions of knowledge: Comparing Asian and Western MNEs in China. *Asia Pacific Journal of Management*, 16(1): 75–93.
- Luo, Y. 2000. *Multinational corporations in China*. Copenhagen: Copenhagen Business School Press.
- \* Luo, Y. 2001a. Antecedents and consequences of personal attachment in cross-cultural cooperative ventures. *Administrative Science Quarterly*, 46(2): 177–201.
- \* Luo, Y. 2001b. Determinants of local responsiveness: Perspectives from foreign subsidiaries in an emerging market. *Journal of Management*, 27: 451–477.
- \* Luo, Y. 2001c. Toward a cooperative view of MNC-host government relations: Building blocks and performance implications. *Journal of International Business Studies*, 32(3): 401–419.
- \* Luo, Y. 2002a. Partnering with foreign firms: How do Chinese managers view the governance and importance of contracts?. *Asia Pacific Journal of Management*, 19(1): 127–151.
- \* Luo, Y. 2002b. Contract, cooperation, and performance in international joint ventures. *Strategic Management Journal*, 23(10): 903–919.
- \* Luo, Y. 2002c. Stimulating exchange in international joint ventures: An attachment-based view. *Journal of International Business Studies*, 33(1): 169–181.
- \* Luo, Y. 2002d. Product diversification in international joint ventures: Performance implications in an emerging market. *Strategic Management Journal*, 23(1): 1–20.
- \* Luo, Y. 2002e. Building trust in cross-cultural collaborations: Toward a contingency perspective. *Journal of Management*, 28: 669–694.
- \* Luo, Y. 2002f. Capability exploitation and building in a foreign market: Implications for multinational enterprises. *Organization Science*, 13(1): 48–63.

- \* Luo, Y. 2003. Market-seeking MNEs in an emerging market: How parent-subsidiary links shape overseas success. *Journal of International Business Studies*, 34(3): 290–309.
- \* Luo, Y. 2004. Building a strong foothold in an emerging market: A link between resource commitment and environment conditions. *Journal of Management Studies*, 41(5): 749–733.
- \* Luo, Y. 2005a. How important are shared perceptions of procedural justice in cooperative alliances?. *Academy of Management Journal*, 48(4): 695–709.
- \* Luo, Y. 2005b. Transactional characteristics, institutional environment and joint venture contracts. *Journal of International Business Studies*, 36(2): 209–230.
- \* Luo, Y. 2006a. Autonomy of foreign R&D units in an emerging market: An information processing perspective. *Management International Review*, 46(3): 349–378.
- \* Luo, Y. 2006b. Political behavior, social responsibility, and perceived corruption: A structuration perspective. *Journal of International Business Studies*, 37(6): 747–766.
- \* Luo, Y. 2007a. Are joint venture partners more opportunistic in a more volatile environment?. *Strategic Management Journal*, 28(1): 39–60.
- \* Luo, Y. 2007b. From foreign investors to strategic insiders: Shifting parameters, prescriptions and paradigms for MNCs in China. *Journal of World Business*, 42(1): 14–34.
- \* Luo, Y. 2007c. Private control and collective control in international joint ventures. *Management International Review*, 47(4): 531–566.
- \* Luo, Y. 2008. Structuring interorganizational cooperation: The role of economic integration in strategic alliances. *Strategic Management Journal*, 29(6): 617–637.
- \* Luo, Y., & Chen, M. 1997. Does *guanxi* influence firm performance?. *Asia Pacific Journal of Management*, 14(1): 1–16.
- \* Luo, Y., & Park, S. H. 2001. Strategic alignment and performance of market-seeking MNCs in China. *Strategic Management Journal*, 22(2): 141–155.
- \* Luo, Y., & Park, S. H. 2004. Multiparty cooperation and performance in international equity joint ventures. *Journal of International Business Studies*, 35(2): 142–160.
- \* Luo, Y., & Peng, M. W. 1999. Learning to compete in a transition economy: Experience, environment, and performance. *Journal of International Business Studies*, 30(2): 269–296.
- \* Luo, Y., Shenkar, O., & Nyaw, M. K. 2001a. A dual parent perspective on control and performance in international joint ventures: Lessons from a developing economy. *Journal of International Business Studies*, 32(1): 41–58.
- \* Luo, Y., & Tan, J. 2003. Structuring international joint ventures: How should contractual design be aligned with environmental conditions?. *Management International Review*, 43(2): 185–211.
- \* Luo, Y., Tan, J. J., & O'Connor, N. G. 2001b. Strategic response to a volatile environment: The case of cross-cultural cooperative ventures. *Asia Pacific Journal of Management*, 18(1): 7–25.
- \* Makino, S., Lau, C.-M., & Yeh, R.-S. 2002. Asset-exploitation versus asset-seeking: Implications for location choice of foreign direct investment from newly industrialized economies. *Journal of International Business Studies*, 33(3): 403–421.
- Mathews, J. A., & Cho, D. S. 1999. Combinative capabilities and organizational learning in latecomer firms: The case of the Korean semiconductor industry. *Journal of World Business*, 34(2): 139–156.
- \* McGaughey, S. L., Liesch, P. W., & Poulson, D. 2000. An unconventional approach to intellectual property protection: The case of an Australian firm transferring shipbuilding technologies to China. *Journal of World Business*, 35(1): 1–20.
- \* Meschi, P.-X., & Cheng, L. T. W. 2002. Stock price reactions to Sino-European joint ventures. *Journal of World Business*, 37(2): 119–126.
- \* Meschi, P.-X., & Hubler, J. 2003. Franco-Chinese joint venture formation and shareholder wealth. *Asia Pacific Journal of Management*, 20(1): 91–111.
- Meyer, K. E. 2006. Asian management research needs more self-confidence. *Asia Pacific Journal of Management*, 23(2): 119–137.
- Meyer, K. E., & Estrin, S. 2001. Brownfield entry in emerging markets. *Journal of International Business Studies*, 31(3): 575–584.
- Miller, D., & Friesen, P. H. 1983. Strategy-making and environment: The third link. *Strategic Management Journal*, 4: 221–235.
- \* Mohr, A. T. 2006. A multiple constituency approach to IJV performance measurement. *Journal of World Business*, 41(3): 247–260.
- \* Murray, J. Y., Kotabe, M., & Zhou, J. N. 2005. Strategic alliance-based sourcing and market performance: Evidence from foreign firms operating in China. *Journal of International Business Studies*, 36(2): 187–208.



- \* Nauman, E. 1993. Organizational predictors of expatriate job satisfaction. *Journal of International Business Studies*, 24(1): 61–80.
- \* Nippa, M., Beechler, S., & Klossek, A. 2007. Success factors for managing international joint ventures: A review and an integrative framework. *Management and Organization Review*, 3(2): 277–310.
- North, D. C. 1990. *Institutions, institutional change and economic performance*. Cambridge: Cambridge University Press.
- \* Osland, G. E., & Cavusgil, T. 1998. The use of multiple-party perspectives in international joint venture research. *Management International Review*, 38(3): 191–202.
- \* Pak, Y. S., & Park, Y. R. 2005. Characteristics of Japanese FDI in the East and the West: Understanding the strategic motives of Japanese investment. *Journal of World Business*, 40(3): 254–266.
- \* Pan, Y. 1996. Influences on foreign equity ownership level in joint ventures in China. *Journal of International Business Studies*, 27(1): 1–26.
- \* Pan, Y. 1997. The formation of Japanese and US equity joint ventures in China. *Strategic Management Journal*, 18(3): 247–254.
- \* Pan, Y. 2002. Equity ownership in international joint ventures: The impact of source country factors. *Journal of International Business Studies*, 33(2): 375–384.
- \* Pan, Y., & Chi, P. S. K. 1999. Financial performance and survival of multinational corporations in China. *Strategic Management Journal*, 20(4): 359–374.
- \* Pan, Y., Li, S., & Tse, D. K. 1999. The impact of order and mode of market entry on profitability and market share. *Journal of International Business Studies*, 30(1): 81–114.
- \* Pan, Y., & Li, X. 2000. Joint venture formation of very large multinational firms. *Journal of International Business Studies*, 31(1): 179–189.
- \* Pan, Y., & Tse, D. K. 1996. Cooperative strategies between foreign firms in an overseas country. *Journal of International Business Studies*, 27(5): 929–946.
- \* Pan, Y., & Tse, D. K. 2000. The hierarchical model of market entry modes. *Journal of International Business Studies*, 31(4): 535–554.
- \* Peng, G. Z., & Beamish, P. W. 2007. Evolving FDI legitimacy and strategic choice of Japanese subsidiaries in China. *Management and Organization Review*, 3(3): 373–396.
- \* Peng, M. W. 2000. Controlling the foreign agent: How governments deal with multinationals in a transition economy. *Management International Review*, 40(2): 141–165.
- \* Peng, M. W. 2001. Business strategies in transition economies. *Academy of Management Review*, 26(2): 311–313.
- Peng, M. W. 2003. Institutional transitions and strategic choices. *Academy of Management Review*, 28(2): 275–293.
- Peng, M. W., & Health, P. S. 1996. The growth of the firm in planned economies in transition: Institutions, organizations, and strategic choice. *Academy of Management Review*, 21(2): 492–528.
- \* Peng, M. W., Tan, J., & Tong, T. 2004. Ownership types and strategic groups in an emerging economy. *Journal of Management Studies*, 41(7): 1105–1129.
- Perez, J., Meier, J., & Woetzel, J. 1995. MNCs in China. *The McKinsey Quarterly*, 2: 21–33.
- Porter, M. 1990. *The competitive advantage of nations*. New York: Free Press.
- Quer, D., Claver, E., & Rienda, L. 2007. Business and management in China: A review of empirical research in leading international journals. *Asia Pacific Journal of Management*, 24(3): 359–384.
- Ricks, D. A. 1985. International business research: Past, present, and future. *Journal of International Business Studies*, 16: 1–4.
- \* Rondinelli, D. A. 1993. Resolving US-China trade conflicts: Conditions for trade and investment expansion in the 1990s. *The Columbia Journal of World Business*, 28(2): 66–81.
- \* Rothaermel, F. T., Kotha, S., & Steensma, H. K. 2006. International market entry by US internet firms: An empirical analysis of country risk, national culture, and market size. *Journal of Management*, 32: 56–82.
- Rousseau, D. M., & Fried, Y. 2001. Location, location, location: Contextualizing organizational research. *Journal of Organizational Behavior*, 22: 1–13.
- \* Schroath, F. W., Hu, M. Y., & Chen, H. 1993. Country-of-origin effects of foreign investments in the People's Republic of China. *Journal of International Business Studies*, 24(2): 277–290.
- \* Selmer, J. 1999. Effects of coping strategies on sociocultural and psychological adjustment of Western expatriate managers in the PRC. *Journal of World Business*, 34(1): 41–51.
- \* Sergeant, A., & Frenkel, S. 1998. Managing people in China: Perceptions of expatriate managers. *Journal of World Business*, 33(1): 17–34.
- \* Sethi, D., Guisinger, S. E., Phelan, S. E., & Berg, D. M. 2003. Trends in foreign direct investment flows: A theoretical and empirical analysis. *Journal of International Business Studies*, 34(4): 315–326.

- \* Shan, W. 1991. Environmental risks and joint venture sharing arrangements. *Journal of International Business Studies*, 22(4): 555–578.
- \* Shenkar, O., & Li, J. 1999. Knowledge search in international cooperative ventures. *Organization Science*, 10(2): 134–143.
- Shenkar, O., & Von Glinow, M. A. 1994. Paradoxes of organizational theory and research: Using the case of China to illustrate national contingency. *Management Science*, 40: 56–71.
- Shenkar, O., & Yan, A. 2002. Failure as a consequence of partner politics: Learning from the life and death of an international cooperative venture. *Human Relations*, 55: 565–587.
- \* Shi, X. 2001a. Antecedent factors of international business negotiations in the China context. *Management International Review*, 41(2): 163–187.
- \* Shi, Y. 2001b. Technological capabilities and international production strategy of firms: The case of foreign direct investment in China. *Journal of World Business*, 36(2): 184–204.
- \* Tai, L. S. T. 1988. Doing business in the Peoples' Republic of China: Some keys. *Management International Review*, 28(1): 5–9.
- \* Tan, J. 2002. Impact of ownership type on environment-strategy linkage and performance: Evidence from a transitional economy. *Journal of Management Studies*, 39(3): 332–354.
- \* Taylor, B. 1999. Patterns of control within Japanese manufacturing plants in China: Doubts about Japanization in Asia. *Journal of Management Studies*, 36(6): 853–873.
- \* Tian, X. 2007. Accounting for sources of FDI technology spillovers: Evidence from China. *Journal of International Business Studies*, 38(1): 147–159.
- \* Tsang, E. W. K. 2001. Managerial learning in foreign-invested enterprises of China. *Management International Review*, 41(1): 29–51.
- \* Tsang, E. W. K. 2002a. Sharing international joint venturing experience: A study of some key determinants. *Management International Review*, 42(2): 183–205.
- \* Tsang, E. W. K. 2002b. Acquiring knowledge by foreign partners for international joint ventures in a transition economy: Learning by-doing and learning myopia. *Strategic Management Journal*, 23(9): 835–854.
- \* Tse, D. K., Pan, Y., & Au, K. Y. 1997. How MNCs choose entry modes and form alliances: The China experience. *Journal of International Business Studies*, 28(4): 779–805.
- Tsui, A. S. 2004. Contributing to global management knowledge: A case for high quality indigenous research. *Asia Pacific Journal of Management*, 21(4): 491–513.
- Tsui, A. S. 2006. Contextualization in Chinese management research. *Management and Organization Review*, 2: 1–13.
- Tsui, A. S. 2007. From homogenization to pluralism: International management research in the academy and beyond. *Academy of management Journal*, 50(6): 1353–1364.
- Tsui, A. S., Nifadkar, S. S., & Ou, A. Y. 2007. Cross-national, cross-cultural organizational behaviour research: Advances, gaps, and recommendations. *Journal of Management*, 33(3): 426–478.
- Uhlenbruck, K., & De Castro, J. 2000. Foreign acquisitions in Central and Eastern Europe: Outcomes of privatization in transitional economies. *Academy of Management Journal*, 43: 381–402.
- \* Van De Bulcke, D., Zhang, H., & Li, X. 1999. Interaction between the business environment and the corporate strategic positioning of firms in the pharmaceutical industry: A study of the entry and expansion path of MNEs into China. *Management International Review*, 39(4): 353–377.
- \* Wagner, C. L. 1990. Influences on Sino-Western joint venture negotiations. *Asia Pacific Journal of Management*, 7(2): 79–100.
- \* Walsh, J. P., Wang, E., & Xin, K. R. 1999. Same bed, different dreams: Working relationships in Sino-American joint ventures. *Journal of World Business*, 34(1): 69–93.
- \* Wang, C. L., Lin, X., Chan, A. K. K., & Shi, Y. 2005. Conflict handling styles in international joint ventures: A cross-cultural and cross-national comparison. *Management International Review*, 45(1): 3–21.
- \* Wang, P., Tong, T. W., & Koh, C. P. 2004. An integrated model of knowledge transfer from MNC parent to China subsidiary. *Journal of World Business*, 39(2): 168–182.
- \* Wang, P., Wee, C. H., & Koh, P. H. 1999. Establishing a successful Sino-foreign equity joint venture: The Singapore experience. *Journal of World Business*, 34(3): 287–305.
- \* Wang, Y., & Nicholas, S. 2005. Knowledge transfer, knowledge replication, and learning in non-equity alliances: Operating contractual joint ventures in China. *Management International Review*, 45(1): 99–118.
- \* Wang, Y., & Nicholas, S. J. 2007. The formation and evolution of non-equity strategic alliances in China. *Asia Pacific Journal of Management*, 24(2): 131–150.
- \* Wei, Y., & Liu, X. 2006. Productivity spillovers from R&D, exports and FDI in China's manufacturing sector. *Journal of International Business Studies*, 37(4): 544–557.

- \* Weldon, E., & Vanhonacker, W. 1999. Operating a foreign-invested enterprise in China: Challenges for managers and management researchers. *Journal of World Business*, 34(1): 94–107.
- Werner, S. 2002. Recent developments in international management research: A review of 20 top management journals. *Journal of Management*, 28(3): 277–305.
- Whetten, D. A. 2002. Constructing cross-context scholarly conversations. In A. S. Tsui & C. M. Lau (Eds.). *The management of enterprise in the People's Republic of China*: 29–47. Boston: Kluwer Academic.
- White, S. 2002. Rigor and relevance in Asian management research: Where are we and where can we go?. *Asia Pacific Journal of Management*, 19(2–3): 287–353.
- Williamson, P., & Zeng, M. 2004. Strategies for competing in a changed China. *MIT Sloan Management Review*, 45(4): 85–91.
- \* Wong, C. S., & Law, K. S. 1999. Managing localization of human resources in the PRC: A practical model. *Journal of World Business*, 34(1): 26–40.
- \* Wong, P. L. K., & Ellis, P. 2002. Social ties and partner identification in Sino-Hong Kong international joint ventures. *Journal of International Business Studies*, 33(2): 267–289.
- \* Wong, Y. T., Ngo, H. Y., & Wong, C. S. 2003. Antecedents and outcomes of employees' trust in Chinese joint ventures. *Asia Pacific Journal of Management*, 20(4): 481–499.
- World Investment Report. 2005. *Transnational corporations and the internationalization of R&D*. New York: United Nations.
- \* Wu, F. W. 1982. The political risk of foreign direct investment in post-Mao China: A preliminary assessment. *Management International Review*, 22(1): 13–25.
- \* Xia, J., Tan, J., & Tan, D. 2008. Mimetic entry and bandwagon effect: The rise and decline of international equity joint venture in China. *Strategic Management Journal*, 29(2): 195–217.
- Xin, K. R., & Pearce, J. L. 1996. *Guanxi*: Connections as substitutes for formal institutional support. *Academy of Management Journal*, 39(6): 1641–1658.
- \* Xu, D., Pan, Y., Wu, C., & Yim, B. 2006. Performance of domestic and foreign-invested enterprises in China. *Journal of World Business*, 41(3): 261–274.
- \* Yan, Y., & Child, J. 2004. Investors' resources and management participation in international joint ventures: A control perspective. *Asia Pacific Journal of Management*, 21(1–2): 287–304.
- \* Yan, A., & Duan, J. 2003. Interpartner fit and its performance implications: A four-case study of US-China joint ventures. *Asia Pacific Journal of Management*, 20(4): 541–564.
- \* Yan, A., & Gray, B. 1994. Bargaining power, management control, and performance in United States-China joint ventures: A comparative case study. *Academy of Management Journal*, 37(6): 1478–1517.
- \* Yan, A., & Gray, B. 2001. Antecedents and effects of parent control in international joint ventures. *Journal of Management Studies*, 38(3): 393–416.
- \* Yang, D. 2005. Culture matters to multinationals' intellectual property businesses. *Journal of World Business*, 40(3): 281–301.
- \* Yang, D., Fryxell, G. E., & Sie, A. K. Y. 2008. Anti-piracy effectiveness and managerial confidence: Insights from multinationals in China. *Journal of World Business*, 43(3): 321–339.
- Yang, J. Y., & Li, J. T. 2008. The development of entrepreneurship in China. *Asia Pacific Journal of Management*, 25(2): 335–339.
- \* Yin, E., & Choi, C. J. 2005. The globalization myth: The case of China. *Management International Review*, 45(1): 103–121.
- \* Yu, C. J., & Liao, T. J. 2008. The impact of governance mechanisms on transaction-specific investments in supplier-manufacturer relationships: A comparison of local and foreign manufacturers. *Management International Review*, 48(1): 95–114.
- Zapalska, A. M., & Edwards, W. 2001. Chinese entrepreneurship in a cultural and economic perspective. *Journal of Small Business Management*, 39(3): 286–292.
- \* Zhang, Y., George, J. M., & Chan, T. S. 2006. The paradox of dueling identities: The case of local senior executives in MNC subsidiaries. *Journal of Management*, 32: 400–425.
- \* Zhang, Y., Li, H., Hitt, M. A., & Cui, G. 2007. R&D intensity and international joint venture performance in an emerging market: Moderating effects of market focus and ownership structure. *Journal of International Business Studies*, 38(6): 944–961.
- \* Zhang, Y., & Rajagopalan, N. 2002. Inter-partner credible threat in international joint ventures: An infinitely repeated prisoner's dilemma model. *Journal of International Business Studies*, 33(3): 457–478.
- \* Zhao, H., & Luo, Y. 2002. Product diversification, ownership structure, and subsidiary performance in China's dynamic market. *Management International Review*, 42(1): 27–48.
- \* Zhao, H., & Luo, Y. 2005. Antecedents of knowledge sharing with peer subsidiaries in other countries: A perspective from subsidiary managers in a foreign emerging market. *Management International Review*, 45(1): 71–98.



- \* Zhao, M. 2006. Conducting R&D in countries with weak intellectual property rights protection. *Management Science*, 52(8): 1185–1199.
- \* Zhao, Z., Anand, J., & Mitchell, W. 2005. A dual networks perspective on inter-organizational transfer of R&D capabilities: International joint ventures in the Chinese automotive industry. *Journal of Management Studies*, 42: 127–160.
- \* Zhou, C., Delios, A., & Yang, J. Y. 2002. Locational determinants of Japanese foreign direct investment in China. *Asia Pacific Journal of Management*, 19(1): 63–86.
- \* Zhou, C., & Li, J. 2008. Product innovation in emerging market-based international joint ventures: An organizational ecology perspective. *Journal of International Business Studies*, 39(7): 1114–1132.
- \* Zou, H., & Ghauri, P. N. 2008. Learning through international acquisitions: The process of knowledge acquisition in China. *Management International Review*, 48(2): 207–226.

\*: Indicates an article included in the survey.

**Jing Yu Yang** (PhD, Hong Kong University of Science and Technology) is an assistant professor at the University of Sydney. Her current research interests are in the areas of inter-firm learning, organizational change, and foreign entry speed, with a focus on MNEs in and firms from emerging economies.

**Frank Ben Tipton** (PhD, Harvard University) is Professor Emeritus at the University of Sydney, where he has taught for thirty years, including six as the foundation Chair of the newly formed Department of International Business. At Harvard University, he studied with economic historian David Landes and Nobel Prize winning economist Simon Kuznets. He is the author of approximately fifty articles and seven books, most recently *Asian Firms: History, Institutions, and Management* (London: Edward Elgar, 2008).

**Jiatao (J. T.) Li** (PhD, University of Texas) is Chair Professor and Head of the Department of Management, and Associate Dean (Faculty) of the Business School, Hong Kong University of Science and Technology. He was previously with McKinsey & Company in Hong Kong. His current research interests are in the areas of strategic alliances, corporate governance, innovation, and entrepreneurship, with a focus on issues related to global firms and those from emerging economies.

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.