

CALL FOR PROPOSALS

**Understanding Contemporary Chinese MNEs:
Extending and Challenging International Business Theory****Guest Editors**Maoliang Bu,¹ Fang Lee Cooke,² Byung Il Park,³ and Jeoung Yul Lee^{4,5}¹*Nanjing University*, ²*Monash University*, ³*Hankuk University of Foreign Studies*,⁴*Chongqing Technology & Business University*, and ⁵*Hongik University***Supervising Editor**Andrew Delios⁶⁶*National University of Singapore*

Following the rapid economic growth of China since the early 1980s, Chinese multinational enterprises (MNEs), albeit still in relatively small numbers compared with those from developed economies, are emerging as strong global competitors (e.g., Huawei, Xiaomi, and Lenovo, and so on). Another prominent phenomenon is that although some other Chinese firms primarily earn their revenues from the domestic market, an increasing number of them also have sufficient potential to become MNEs in the globalizing world. Both state-owned and private Chinese MNEs have successfully internationalized their business operations, some of which are becoming/will become strong players in the global market.

Moreover, China has recently turned its eyes to many regions neglected by western investors, including those in Africa and main economic corridors (e.g., Central and West Asia, and Indochina) (Lee, 2017). Most of these countries do not have sufficient purchasing power to acquire goods and services produced by developed economies, which might trigger the status quo that Western MNEs tend to more or less ignore the markets. China saw this as an opportunity, as evidenced in its ambitious geopolitical investment now known as the Belt and Road Initiative (BRI), which is often described as an assertive grand strategy bent on reorganizing economic or even global order with new governance ideas (Jones, 2020; Li, Liu, & Qian, 2019; Zhang, 2018). The rising power of China as an important investor in some of the least developed countries has come in parallel with the extension of liberalization and improvement in connectivity between China and more than 70 countries through infrastructure investment and regional cooperation (Maliszewska, & van der Mensbrugge, 2019). Such an economic global policy of China is underpinned by a twin motive of foreign investment: market-seeking and resource-seeking (Chen, Dollar, & Tang, 2018; Liu, Henley, & Jin, 2019).

Thus, the challenges that Chinese MNEs may encounter, their behavioral patterns, and how they internationalize might be highly dissimilar to those of Western MNEs (Ramamurti & Hillemann, 2017). Indeed, challenges confronting Chinese MNEs in different investment destinations might differ for internal as well as external reasons which give rise to distinct forms of liability of foreignness/emergingness/Chineseness (Cooke et al., 2018; Quer, Claver, & Rienda, 2017; Sun, Peng, Ren, & Yan, 2012). For instance, well-performing Chinese MNEs are often state-owned or have state support and are dominant in the construction and mining industries. Therefore, the notion of statism (Wood & Wright,

2015) and state capitalism (Hu et al., 2019) may be far more at home in interpreting Chinese MNEs' business strategy and operations overseas than that of the Western MNEs. However, political connection is not always beneficial to MNEs (Kalasin, Cuervo-Cazurra, & Ramamurti, 2020), and has indeed been seen as a liability of stateness (Mariotti & Marzano, 2020) of Chinese state-owned MNEs in their international expansion. Nor is political connection necessarily confined to Chinese MNEs' home government.

Despite the rise of Chinese MNEs in the global business arena, our understanding of these firms remains in its infancy (Cooke & Wood, 2020). While scholars have investigated diverse topics related to MNEs (Delios, 2016; Wei, & Bu, 2019), existing studies have developed theories by predominately focusing on those from developed (Western) countries. The utility of these theories in explaining the Chinese business phenomenon has been questioned (e.g., Park & Roh, 2019) and there are increasing calls for scholars to 'develop indigenous theory based on the distinctiveness of local contexts' (Bruton, Zahra, Van de Ven, & Hitt, 2021: 1). Similarly, extant theories developed based on the Western context might need to be considerably extended if they are to have greater explanatory power on Chinese MNEs, considering the significant differences that Western and Chinese MNEs encounter in geopolitical business environments and resource endowments (e.g., political support or suppression from home and host country governments, technological competences, managerial capabilities, and human resources). The recent trade and technology war between China and the US is but one example (*The Economist*, 2019; Tung, Zander, & Fang, 2021).

As an illustration for indigenous theory development or extending extant Western-developed theories, research on Chinese MNEs can examine the role of distance (e.g., institutional, technological, language distance) and how Chinese MNEs may be changing the existing reality and conceptualization of distance. The concept of distance, initially proposed by Ghemawat (2001), has been one of the most popular topics for research in international business (IB) over the last 20 years (e.g., Kostova et al., 2020), particularly the perceived distance between developed and developing economies, with the latter often considered to be lagging in technology development and capability to learn and absorb technical and managerial know-how from Western MNEs. However, Chinese firms are now leading in certain areas of technology (e.g., 5G, high-speed rail). How would this phenomenon change the conceptualization of technology distance? What new measures may be needed to measure the distance in light of this new reality? Furthermore, how might the change in technology distance be impinged by, and in turn affect, other forms of distance? For instance, how does technological distance manifest itself as language and institutional distances and widen the latter as the technological paradigm and related global economic power structure changes?

Relatedly, given that Chinese MNEs' internationalization strategy is part of or influenced by China's international strategy, international politics and international relations theories, which have not been well mobilized in current IB research, can be adapted to understand the extent to which Chinese MNEs' competition strategy is based on China's international strategy to enhance global cooperation and foster fair competition under new geopolitical environments (e.g., Zhang, 2018).

Equally, IB scholars have shown increasing interest in non-market strategy, more recently the 'dark side', or negative aspect of this strategy (Rajwani, Liedong, Lawton, & Shirodkar, 2021). However, non-market strategy may be able achieve outcomes that market strategy cannot, and for good rather than negative outcomes, measured by impact to business, community, and society. Non-market strategy may

be rather more common in emerging economies than in liberal economies. Therefore, we should not necessarily presume the ‘dark side’ of non-market strategy as being something negative, rather, more research should be carried out to illuminate this area characterized by diversity and complexity underpinned by different societal values and interests.

This special issue aims to improve our understanding of Chinese MNEs as well as to offer a unique opportunity to re-consider diverse extant theories on MNEs by promoting an extension to account for those of Chinese origin. In particular, investigating Chinese MNEs can provide appropriate implications for MNEs from other emerging economies. We seek papers that advance theoretical perspectives, which are able to integrate the extant theoretical lens into Chinese MNEs, provide valuable insights and new knowledge, and subsequently, offer implications for MNEs from emerging economies.

POTENTIAL TOPICS

We invite submissions that draw on various conceptual and theoretical perspectives, adopt diverse empirical approaches (both quantitative and qualitative), and investigate through multiple levels of analysis. We particularly welcome qualitative studies along with conceptual, theoretical, and quantitative papers that may address, but are not limited to, the following list of indicative research questions:

- What may be the critical factors that affect Chinese MNEs’ successful transformation into global leaders in the future?
- What challenges may Chinese MNEs encounter in their global business operations and what resources do they draw on to overcome such challenges?
- Do the operations and strategies of Chinese MNEs differ across developed, developing, and least developed countries? How, why, and what may be the impact, and how can this be conceptualized?
- Do state-owned and private Chinese MNEs show different globalization patterns and different performance outcomes? If so, how can these features be explained?
- How do Chinese MNEs improve their image and reputation as being innovative and socially responsible?
- What is the role of digital technology in giving Chinese MNEs greater digital competence and competitive advantage on the one hand, but may create barriers due to system incompatibility and political resistance outside China on the other hand? For example, China’s digital yuan could make transactions faster, cheaper, and more transparent. What is it and how does it work for Chinese MNEs and the global economy?
- Are existing assumptions of Chinese MNEs accurate and, if not, how can they be amended? For example, how can research capture the diverse forms of non-market strategy and practice that Chinese MNEs adopt to analyze their motives, implement processes, and effect without (prejudiced) assumption?

- Similarly, what is the role of global politics and media in shaping Chinese MNEs' image and opportunities to operate on the global stage? What strategies and resources are Chinese MNEs mobilizing, if any, in response to these external and powerful forces? How do we conceptualize Chinese MNEs' corporate communication strategy?

SCHEDULE AND TIMELINE

1. **Preliminary Proposal** (deadline May 31, 2022): The preliminary proposal should specify the targeted data source, format, develop intended research questions, and justify the motivation. The initial proposal should be within five pages (single-spaced). Please submit proposals to Jeoung Yul Lee (jeoungyul@hongik.ac.kr) with the subject line: 'MOR SI Understanding Contemporary Chinese MNEs'.
2. **Proposal Development Workshop** (early August, location TBD): Accepted proposals will be invited to a developmental workshop to further refine the focused research questions based on the secured data source. At the end of the workshop, we will extend invitations to some promising proposals to submit a revised version of the proposal.
3. **Pre-register your study/studies**. All accepted proposals are requested to pre-register their studies via osf.io or other online platforms. If confirmatory studies are dropped in the data collection process, please don't create a file drawer but add them to an (online) appendix, along with the data, syntax, and study materials for all your studies. For more information, see <https://www.cambridge.org/core/services/aop-file-manager/file/605a0d0ca743302a965cfe51/MOR-Preregistration-and-Preapproval.pdf>
4. **Paper Submission Deadline** (March 31, 2023). Please submit full papers via the MOR submission website: <https://mc.manuscriptcentral.com/mor>
5. **Paper Development Workshop for shortlisted papers** (middle of June, location TBD/ One option is at the 10th Biennial IACMR Conference in Hong Kong): Revise the paper with known results and findings.
6. **Publication of the Special Issue** (TBD)

GUEST EDITORS

To obtain additional information, please contact the guest editors:

Dr. Maoliang Bu (bml@nju.edu.cn) is an Associate Professor at Nanjing University and Adjunct Professor at the Hopkins-Nanjing Center (Johns Hopkins University, School of Advanced International Studies). He has published in leading academic journals, including *NATURE Sustainability*, the *Journal of International Business Studies* (JIBS), and the *Strategic Management Journal* (SMJ). He has served as an Editor for *Asia Pacific Journal of Management* (APJM), the *Journal of International Management* (JIM), and *Business Ethics, the Environment & Responsibility*. Dr. Bu is also an affiliated researcher at

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Dr. Fang Lee Cooke (Fang.Cooke@monash.edu) is Distinguished Professor at Monash Business School, Monash University (Australia). She is Co-Editor-in-Chief of *International Business Review* and *The International Journal of Human Resource Management* and Consulting Editor of *Journal of World Business*. She has also published over 110 journal articles and 70 book chapters. Her research areas include Chinese MNE strategies, Chinese firms in Asia and Africa, and comparative studies of Chinese and Indian firms. Her studies, most of which adopted qualitative methods, have appeared in *Journal of World Business*, *International Business Review*, *Journal of Management Studies*, *Human Relations*, *Human Resource Management*, *Human Resource Management Journal*, *British Journal of Management*, *International Journal of Human Resource Management*, *International Journal of Management Review*, *Journal of Business Research*, and *Asia Pacific Journal of Management*. She has guest edited several special issues, including, for example, Lyles, M., Tsang, E., Li, S. X., Hong, J., and Cooke, F. L. (in progress), 'From "Bring In" to "Go Global": Learning and Innovation of Chinese Firms along the Path of Inward and Outward Internationalization', *Journal of World Business*; Tarba, S., Cooper, C., Weber, Y., Cooke, F. L., Ahlstrom, D., and Collings, D. (2020), 'Strategic Alliances, Joint Ventures, and Mergers and Acquisitions in the Global Context: The Role of Human Resource Management', *Journal of World Business*; Liu, M. W., Chen, C., Cooke, F. L., and Liu, L. A. (2019) 'Human Resource Management in Multinational Corporations in and from China', *Human Resource Management (FT 50)*; and Cooke, F. L., Wood, G. and Horwitz, F. (2015), 'Multinational Firms from Emerging Economies in Africa, Global Standards and Host Country Development', *The International Journal of Human Resource Management*.

Dr. Byung Il Park (leedspark@hufs.ac.kr) is Professor in International Business at the College of Business, Hankuk University of Foreign Studies (South Korea). His research focuses on Asian emerging-market MNEs, MNE strategy, and the corporate social responsibility of MNEs and MNE corruptions. He has published more than 50 papers in academic journals, such as *Journal of World Business*, *Journal of International Management*, *Management International Review*, *International Business Review*, *International Marketing Review*, *Corporate Governance: An International Review*, *International Small Business Journal*, *Journal of Business Research*, and *Asia Pacific Journal of Management*. He is also Consulting Editor of *Entrepreneurial Business and Economics Review* and serves as an Editorial Advisory Board Member for *International Business Review*. In addition, he has handled special issues for *Journal of World Business*, *Journal of Business Research*, *International Marketing Review*, *Management Decision*, *Thunderbird International Business Review*, and *European Journal of International Management*.

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Management, Management and Organization Review, Cross Cultural & Strategic Management, International Journal of Consumer Studies, and European Journal of International Management, as well as an editorial advisory board member of Cambridge Scholars Publishing (England, UK). His research areas include Chinese MNEs' domestic and international strategies and CSR. He has served as a leading/managing guest editor of special issues of the *Management International Review* on Learning in SME Internationalization (co-edited with Timothy M. Devinney), *Journal of Business Research* on Corruptive Practices, Digitalization, and International Business (co-edited with Pervez N. Ghauri and Vikas Kumar), and *Management Decision* on MNC Challenge, Evolution and Decline. He was a postdoctoral fellow at the Wharton School (U.S.) and has published 46 papers in SSCI journals, such as the *Journal of International Business Studies* (2015, 2019), *Global Strategy Journal, Human Resource Management, Long Range Planning, Management International Review, Journal of Business Research, International Business Review, Journal of International Management, and International Journal of Human Resource Management*.

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