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TESIS DOCTORAL

Factores críticos en la multilocalización de la empresa española: el caso de China.

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Este trabajo lo dedico con todo mi amor y cariño
a mis padres, a mi hermano y a Alex.

Algún día en cualquier parte, en cualquier lugar indefectiblemente te encontrarás a ti mismo, y ésa, sólo ésa, puede ser la más feliz o la más amarga de tus horas.

(Pablo Neruda)

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RESUMEN

Durante la última década ha aumentado notablemente el interés por China y la multilocalización en el gran gigante asiático, tanto en el campo profesional como en el académico, propiciando el nacimiento de una nueva disciplina en el campo de la administración y dirección de empresas, la multilocalización en China.

Las empresas son cada vez más conscientes del papel que China ejerce en su futuro, así como de la necesidad de tenerla presente en su hoja de ruta a fin de lograr una mayor competitividad en el mercado global. En este contexto, se han realizado y se siguen realizando muchos y excelentes trabajos sobre la multilocalización, con notables aportaciones, en especial aquellas relacionadas con sus rendimientos y métodos. Sin embargo, son más bien escasos los trabajos y aportaciones que evalúan los factores que inducen a un rendimiento asimétrico y negativo en la multilocalización de empresas españolas en China.

Desde esta última perspectiva el presente estudio realiza una investigación tanto de carácter fundamentalmente explicativo, con el objetivo de obtener información relevante respecto al fenómeno de la gestión de la multilocalización y sus factores asociados en las empresas españolas en China (fenómeno con una reducida muestra), como de carácter exploratorio, ya que es uno de los primeros estudios que busca contrastar su contribución con las teorías existentes en la multilocalización.

La tesis se presenta de manera que puede ser entendida como un único tema o como tres líneas de trabajo diferentes respecto a China, ya que aunque toda la investigación gira en torno a la multilocalización en este país, centra su atención en tres factores del proceso diferentes y de carácter crítico.

Por tanto, las principales aportaciones del presente trabajo de investigación se han focalizado en la posibilidad de mejorar la efectividad y el rendimiento del proceso de multilocalización en China, elementos de relevancia para políticos, administraciones públicas, directivos e investigadores. En paralelo, se ha constatado cual es el verdadero impacto que tienen ciertos factores en el rendimiento de la multilocalización de empresas españolas en China y finalmente, el estudio proporciona elementos de valor para llevar a cabo una toma de decisiones documentada, el desarrollo de estrategias de empresa o la evaluación de políticas de ayuda para empresas españolas.

RESUM

Durant l'última dècada l'interés per Xina i la multilocalizació en el gran gegant asiàtic ha augmentat notablement tant en el camp professional com l'acadèmic, suscitant l'aparició d'una disciplina en el camp de l'administració i direcció d'empreses, la multilocalizació a Xina.

Les empreses són cada vegada més conscients del paper que Xina exerceix en el seu futur, així com la necessitat de tindre-la present en el seu full de ruta a fi d'aconseguir una major competitivitat en el mercat global. En aquest sentit, s'han realitzat, i continuen realitzant-se, molts i excel·lents treballs sobre la multilocalizació, amb notables aportacions, en especial relacionades amb els seus rendiments i els seus mètodes. No obstant això, són més bé escassos els treballs i aportacions que avaluen els factors que indueixen a un rendiment asimètric i negatiu en la multilocalizació d'empreses espanyoles a Xina.

Per això el present estudi realitza una investigació de caràcter fonamentalment explicatiu, ja que el seu objectiu és obtindre informació de rellevància respecte al fenomen de la gestió de la multilocalizació, i els seus factors associats en les empreses espanyoles a Xina (fenomen amb una mostra reduïda), encara que amb un caràcter explorador ja que és un dels primers estudis que busca contrastar la seua contribució amb les teories existents en la multilocalizació.

La tesi es presenta de manera que pot ser entesa tant com un únic tema o tres treballs diferents, ja que encara que tota la investigació gira a l'entorn de la multilocalizació a Xina, centra la seua atenció en tres factors crítics diferents del procés.

Les principals aportacions del present treball d'investigació se centren a millorar l'efectivitat i el rendiment del procés de multilocalizació a Xina, la qual cosa té rellevància per a polítics, administracions públiques, directius i investigadors. A més, s'ha constatat quin és l'autèntic impacte que tenen certs factors en el rendiment de la multilocalizació d'empreses espanyoles a Xina. Finalment, l'estudi també contribueix a realitzar una presa de decisions documentada, el desenrotllament d'estratègies i l'avaluació de polítiques d'ajuda a empreses espanyoles.

ABSTRACT

During the last decade the interest for China and the multi-location in the Asian giant has increased significantly in both the professional and the academic fields, thus prompting the emergence of a new discipline in the field of management and business administration, the multi-location in China.

Companies are increasingly aware of the role that China plays in their future and of the need to take the country into consideration in their roadmap for achieving high competitiveness levels in the global market. In this regard, many excellent works on the topic of multi-location have been and are still being developed, with outstanding contributions, especially regarding their performance and methods. However, there are rather few studies that evaluate the contributions and factors which provoke asymmetric and negative performance in the multi-location of Spanish companies in China.

Therefore, the present study is a fundamentally explanatory research in nature, since its objective is to obtain relevant information on the phenomenon of multi-location steering, and its associated factors in the Spanish firms in China (phenomenon with a small sample). Furthermore, it has an exploratory nature, since it is one of the first studies that compares its contribution to multi-location literature.

The thesis is presented in a way that can be understood both as a single topic and as three different works, as all the research goes around the multi-location process in China, which is focused on three different critical factors.

The main contributions of this research are centered on improving the effectiveness and performance of the multi-location process in China, which has relevance for politics, governments, managers and researchers. Furthermore, it analyzes the real impact of certain factors on the multi-location performance of Spanish companies in China. Finally, the study also contributes to creating a well informed decision making process, strategy planning and evaluation of aid policies for Spanish companies.

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CAPÍTULO 1

INTRODUCCIÓN

INTRODUCCIÓN

1.1 La investigación.

Desde principios de los años 80 se ha podido observar un creciente y continuo flujo de empresas occidentales que buscan establecerse en China. Desde la primera llegada de las grandes corporaciones, el tamaño de las empresas y su propósito ha evolucionado y cambiado con el paso del tiempo. De hecho, en la actualidad las grandes multinacionales, primeras en desembarcar en China, están dando paso a las pequeñas y medianas empresas (PYMEs¹).

Durante los últimos años las PYMEs han sido el segmento empresarial que ha llevado a cabo el proceso de internacionalización más intenso, sobre todo en China. Por lo tanto y como resultado de dicho proceso, es posible inferir que China cuenta actualmente con un gran número de empresas de diferentes tamaños, países, actividades industriales y estrategias. Este cambio ha sido posible gracias a que hoy en día las nuevas tecnologías y las actuales corrientes de comunicación están permitiendo que tenga lugar un incremento muy significativo en el transporte de personas y, especialmente, de las actividades entre los países (Sinkovics y Ghauri, 2009).

Sin embargo, cabe destacar como dato interesante el que a pesar de ser China un país que ofrece una amplia gama de oportunidades empresariales, la presencia física (a través de subsidiarias) de las empresas que proceden de otros países distantes tanto geográfica como culturalmente sigue siendo reducida (Contractor et al., 2010) en relación a dichas oportunidades.

La literatura económica coincide en que son muchas las razones que explican los motivos por los cuales las empresas no llevan a cabo la internacionalización en países que como China se catalogan como lejanos (Madhok, 1997; Yamin y Golesorkhi, 2010). Algunas de esas razones se resumen en: complejidad del proceso debido a las diferencias culturales, alto riesgo económico asociado a esta actividad, la complejidad de las relaciones gubernamentales, etc (Solana, 2008; Contractor et al., 2010).

Ya establecidos en este ámbito, vemos que actualmente una de las soluciones que las empresas tienen posibilidad de implementar con éxito, es la estrategia de multilocalización,

¹ PYME: tres tipos de empresas consideradas PYMES: Medianas < 250 trabajadores, volumen de negocio ≤50 m € Pequeñas < 50 trabajadores, volumen de negocio ≤10 m € Micro < 10 trabajadores, volumen de negocio ≤2 m €

la cual en este trabajo se entiende como *una situación en la que la compañía tiene más de un centro productivo en más de un país o mercado*. Dicha estrategia es especialmente adecuada para empresas manufactureras, debido a que el introducir una fragmentación de los procesos productivos les permite aprovechar de una manera más eficiente las ventajas de coste y productividad asociadas a la producción.

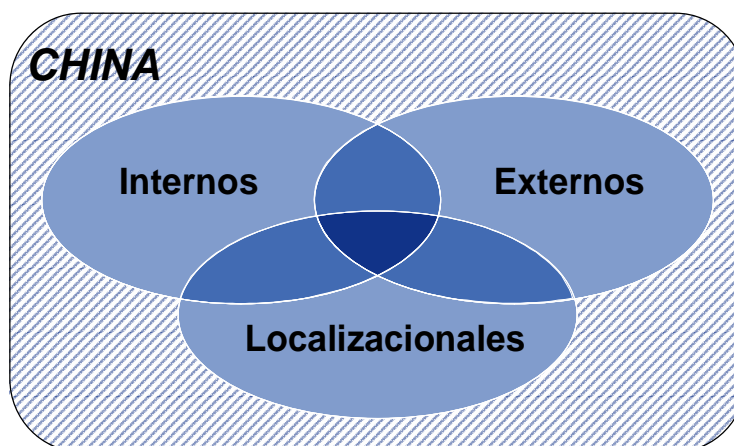
Son varios los estudios que sostienen que China es uno de los destinos más importantes para la multilocalización (UNCTAD, 2009), incluso después de considerar los nuevos mercados que se están abriendo en las diferentes economías emergentes (Brasil, Rusia, India, Sudáfrica, etc.). Las razones que empujan a este ensalzamiento de China en lugar de otros países, están relacionadas por un lado con las ventajas que tiene estar ubicado cerca de los principales proveedores industriales, y por otro lado, debido a la creciente demanda del mercado interno chino al que tienen acceso las empresas que están ubicadas allí.

Con todo, el análisis de las decisiones tomadas por las empresas durante el proceso de multilocalización en un mercado tan singular como el chino representa un serio desafío, especialmente si nos centramos en el caso español debido al alto número de fracasos documentados (Solana, 2008). Algunas de las razones que han propiciado esos fracasos están relacionadas con la realidad a la que una empresa tiene que hacer frente cuando pretende entrar en un nuevo mercado (Zaheer, 1995).

Dichas razones derivan de diferentes aspectos que van desde como hacer frente a una gran incertidumbre o necesidad de recursos intangibles, a la falta de conocimientos necesarios para operar en el extranjero (Pedersen y Petersen, 1998; Contractor et al., 2010). Sin embargo, la literatura también revela la existencia de aspectos internos (tamaño, el directivo, las razones, etc.), externos (apoyo y uso de las instituciones) y localizacionales (inadecuado ajuste modo-actividad-destino) todavía muy poco explorados.

Por todo ello, el objetivo de esta tesis doctoral es *validar los factores que inducen a un rendimiento asimétrico y negativo en la multilocalización de empresas españolas en China. Y que esos factores son los 3 grupos mencionados previamente y que se relacionan entre ellos: internos, externos y localizacionales* (Figura 1.1).

Figura 1.1: Esquema de la tesis doctoral.



Fuente: Autores.

En relación a la aportación y uso práctico de esta tesis, este estudio es relevante e importante para políticos, administraciones públicas, directivos e investigadores interesados en mejorar la efectividad y rendimiento del proceso de multilocalización en China. Además, los resultados obtenidos pueden contribuir a conseguir una toma de decisiones documentada, desarrollo de estrategias, evaluación de políticas de ayuda, o estrategias de comunicación.

1.1.1 Factores críticos intangibles en la estrategia de multilocalización de las PYMES en China.

En estudios recientes (Coucke y Sleuwaegen, 2008; Puig y Marques, 2010) se menciona la necesidad de estrategias de multilocalización en países como China para la supervivencia de las PYMES. Con el fin de lograr este requisito, las empresas necesitan superar las limitaciones dadas por el tamaño y la capacidad de gestión de la cúpula directiva, junto con la aplicación de una estrategia de internacionalización. Sin embargo, como señala Solana (2008), aunque hay varios estudios que han abordado la decisión de internacionalización de la empresa multinacional desde diferentes perspectivas y enfoques, sólo algunos de estos estudios se han centrado en el análisis de la multilocalización aplicado a las PYMES manufactureras. Esta falta de estudio se ve acentuada cuando los factores intangibles de la multilocalización se incluyen en el análisis para evaluar cómo afectan a las decisiones y modo de internacionalización llevado a cabo por las empresas.

El proceso de internacionalización de las PYMES sigue un modelo secuencial-incremental (Cavusgil, 1980; Johanson y Vahlne, 1990). Bajo un punto de vista sintético, se podría decir que la internacionalización se inicia con ventas esporádicas en los mercados extranjeros y

aumenta a través de acuerdos de ventas más importantes. El paso en el que se establecen instalaciones en el país extranjero (multilocalización), se considera como el último paso en el proceso y por tanto el más complejo de llevar a cabo.

En general, es posible afirmar que el proceso de multilocalización de las PYMEs (las cuales tienen limitados recursos financieros y de gestión) comenzará con actividades en mercados cercanos lo cual no requiere de un compromiso de recursos importante, tanto culturales como geográficos (exportación). Pasado un tiempo esos compromisos se incrementarán en la misma medida que la compañía esté logrando beneficios. Sin embargo, la realidad de hoy en día es que en algunos casos las nuevas empresas inician el proceso de internacionalización de manera inmediata (Born-Global) sin pasar por las fases secuenciales que describe la literatura.

Teniendo en cuenta las carencias y limitaciones mencionadas anteriormente, se hace patente que existe un vacío en la literatura al relacionar los factores intangibles de las PYMEs con las decisiones y el modo de multilocalización en China. Por esta razón, esta parte de la tesis tiene por objeto dar una visión de las dificultades y riesgos que conlleva la internacionalización en China (a ello nos referiremos como la Complejidad de Internacionalización), estudiando la decisión de la multilocalización y los determinantes de su proceso permitiéndonos detectar qué factores internos son críticos en el mismo. Esto se lleva a cabo sin dejar de reconocer otros factores intangibles también críticos en el proceso de internacionalización (tamaño, sector, etc), así como las instituciones y las entidades que se relacionan con dicho proceso, siguiendo Buckley y Casson (1996) y Ramírez-Alesón (2004).

1.1.2 ¿Influye el apoyo público en el proceso de multilocalización?

El actual fenómeno de la globalización obliga a las empresas a pasar por un proceso de transformación interno que les permita adoptar un enfoque más internacional. Aunque este proceso puede adoptar formas diferentes, la multilocalización es uno de los más utilizados. La globalización, medida a través de la capacidad de mano de obra y de producción, está creciendo notablemente (Sinkovics y Ghauri, 2009), siendo China un destino de acogida prominente en el proceso (UNCTAD, 2009). Sin embargo, la globalización también conlleva un aumento de la complejidad a la hora de establecer la transformación interna previamente mencionada debido a las diferencias culturales, la incertidumbre, la exposición al riesgo y la burocracia (Solana, 2008; Contractor et al, 2010), que pueden reducirse mediante la colaboración con los adecuados servicios de asesoramiento. Esta colaboración,

particularmente a través de redes de negocios, permite a las pequeñas y medianas empresas (PYME) acelerar su proceso de internacionalización y lograr un rendimiento más alto del que podrían alcanzar por sí solo (Coviello y McAuley, 1999; Lu y Beamish, 2001).

La multilocalización es una forma particular de llevar a cabo la internacionalización, y es ampliamente reconocida en China como una necesidad para la supervivencia de las PYMEs (Coucke y Sleuwaegen, 2008; Puig y Marques, 2010). Sin embargo, la cantidad de problemas a los que se enfrentan las PYMEs hacen que el proceso de multilocalización resulte difícil, especialmente cuando la distancia con el país de origen (en términos de Ghemawat, 2011) es tan importante. En la adopción y aplicación de las estrategias de multilocalización hay diferentes factores (modo de entrada, ubicación, etc) que tienen impacto directo en los resultados obtenidos. Uno de los recursos que las empresas pueden utilizar con el fin de mitigar el riesgo en el proceso, es el Servicio de Apoyo Institucional o Público (SAI), que en este trabajo se entiende como *una entidad o persona que es conocida por tener habilidades en un cierto campo, y que transmite este conocimiento a quien lo requiere* (Schaper y Volery, 2004).

La comprensión de los factores que determinan una relación débil entre las empresas e instituciones, es importante porque afecta a las perspectivas de las distintas empresas y su desempeño en el mercado externo (Blundell y Dias Costa, 2000). Por lo tanto, el objetivo de esta parte de la tesis se centra en entender el papel del apoyo público en el proceso de multilocalización, y en analizar el grado y el alcance de la colaboración entre el SAI y las empresas españolas en China. Para ello, se proporcionan evidencias empíricas sobre el apoyo ejercido por parte de los servicios públicos españoles de asesoramiento, así como una comprensión global de la adecuación del entorno institucional en China.

1.1.3 El impacto de los cluster industriales en el rendimiento de la multilocalización: el caso en China.

La corriente actual de la globalización centra su atención en una presencia cada vez mayor de empresas Born-Global, las cuales deciden comenzar directamente en economías emergentes sin tener en cuenta la distancia tanto geográfica como cultural. También se ha probado y se ha determinado que estas empresas normalmente deciden situarse en zonas densamente pobladas como clusters industriales, para permitir que los empresarios adquieran los conocimientos necesarios para el éxito de la empresa (Sorenson, 2003). Tanto el desarrollo efectivo como la transferencia de conocimiento, son las razones principales de la existencia de las empresas, especialmente para las empresas multinacionales (EMN) con

múltiples filiales ubicadas en diferentes zonas geográficas (Gupta y Govindarajan, 2000; Doz et al, 2001).

La literatura de Comercio Internacional (CI) ha reconocido el valor del conocimiento para crear una ventaja competitiva (Grant, 1996). Para obtener este conocimiento, las empresas deben centrar sus esfuerzos no sólo en el desarrollo interno, sino también en la adquisición de conocimiento externo (Nahapiet y Ghoshal, 1998). Al mismo tiempo, estudios de Geografía Económica (GE) han puesto de manifiesto que el intercambio de conocimientos mide el rendimiento de los clústeres, que en este trabajo se entiende según la definición de Porter (2000) *“Un clúster es un grupo geográficamente próximo de compañías interconectadas e instituciones asociadas en un determinado campo basándose en elementos comunes y complementarios”*.

Tanto la ubicación como los clústeres son aspectos cruciales a considerar en el proceso y rendimiento de la multilocalización de empresas multinacionales (Tan and Meyer, 2011). Una de las razones que explicarían esta importancia de los clústeres para el CI, está relacionada con el hecho de que los clústeres suponen una forma intermedia de organización capaz de minimizar los problemas derivados del tamaño y del control. Sin embargo, los problemas que algunas empresas han experimentado, junto con el gran número de experiencias fallidas documentadas, ponen de relieve la existencia de un cierto grado de heterogeneidad entre las empresas a la hora de usar las ventajas provenientes de la ubicación.

En línea con lo hasta ahora expuesto, esta parte de la tesis doctoral pretende hacer explícito el papel que tienen los clústeres industriales para las empresas en el proceso de multilocalización. De este modo, se quiere proporcionar un razonamiento claro y explícito que ayude a entender el proceso de co-localización en clústeres por parte de empresas multinacionales, buscando además desgranar el potencial del factor localizacional. El objetivo final de esta parte es aclarar la relación entre las actividades deslocalizadas y los clústeres, haciendo explícita la forma en que el proceso de co-ubicación utiliza los recursos externos disponibles en el clúster.

1.2 Desarrollo del trabajo.

La tesis está articulada en torno a cinco capítulos y se presenta de manera que puede ser entendida desde el enfoque de un tema único, o como tres trabajos directamente relacionados

pero diferentes, ya que aunque toda la investigación gira entorno a la multilocalización en China, centra su atención en tres puntos críticos diferentes del proceso.

El capítulo 2 comienza con la revisión de las tres dimensiones que la literatura sobre internacionalización considera claves: el tipo / forma de acuerdo (propiedad), el lugar de ubicación en el país de destino (localización) y los motivos estratégicos que impulsan a la empresa (internalización) (Agarwal y Ramaswami, 1992; McCann y Mudambi, 2005). Para, a partir de ese punto, estudiar, conceptualizar y comprender como reducir la complejidad en la estrategia de internacionalización a la hora de acceder a algunos nuevos mercados, aumentando el rendimiento de la multilocalización. Este capítulo se completa con el análisis de las implicaciones estratégicas que tiene el correcto análisis de estas tres dimensiones.

En el capítulo 3, se realiza un análisis del mercado chino y cual es la posición y relación de España en el. Este estudio facilita el entendimiento del grado de importancia que las instituciones gubernamentales representan para las empresas privadas en el proceso de multilocalización en China. Las aportaciones realizadas en el campo de las decisiones gerenciales están apoyadas en una metodología mixta basada en un estudio de casos junto con un estudio cuantitativo. Este capítulo se completa con un análisis de los factores que condicionan la colaboración entre las empresas e instituciones.

En el capítulo 4, en primer lugar se presenta lo que la literatura conoce acerca de la localización y los clústeres industriales, centrándose en la naturaleza de ambas corrientes de la literatura. A continuación, se presenta un estudio empírico referente a la co-localización elegida por las empresas españolas que entran en China, seguido de una metodología mixta (cuantitativa y cualitativa). Finalmente, en las dos últimas secciones se presentan las implicaciones y conclusiones.

En el capítulo 5, el trabajo de investigación concluye con la síntesis de las principales conclusiones alcanzadas en cada uno de los estudios empíricos y con un análisis de las aportaciones realizadas a la literatura sobre el proceso de la multilocalización.

En este punto, sólo queda indicar por un lado la inclusión de tres anexos donde se puede apreciar la naturaleza y contenido de los cuestionarios llevados a cabo durante el trabajo, y por otro la relación completa de las referencias bibliográficas citadas y consultadas en la elaboración del trabajo, como evidencia de reconocimiento y deuda a las ideas de los diferentes autores que han sido la base intelectual que han permitido a este estudio establecer su propio planteamiento.

CAPÍTULO 2

CRITICAL INTANGIBLE FACTORS FOR SME MULTI- LOCATION STRATEGY IN CHINA

Critical intangible factors for SME multi-location strategy in China

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Abstract: This paper examines the critical intangible factors observed in the multi-location process to China by Spanish manufacturing firms. The goal of this paper is to shed light on the most significant aspects of the multi-location process which can minimise the internationalisation complexity (IC) and, consequently, improve its performance. In order to fulfil this goal, perceptions by Spanish managers doing business in China are collected, using an extensive qualitative analysis. The main findings accept the fact that the IC associated with multi-location in China is effectively reduced when decision makers understand that China is extremely diverse and complex. Thus, reducing the chances of failure requires defining in advance the strategic goal when undertaking that process. In addition, it is also evidenced that the success of the process is clearly linked with a pushing attitude (proactive), the ownership of enough intangible resources, and support coming from the governmental institutions and the effective expatriated.

Keywords: multi-location; SME; internationalisation; manufacturing; China.

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2.1. Introduction.

Nowadays, new technologies and the cutting-edge communication stream are allowing a significant increase in the transfer of persons and, in particular, activities among countries (Sinkovics and Ghauri, 2009). Nevertheless, it is clear that although China is a country where it is possible to find a large range of opportunities, the physical presence (through subsidiaries) of companies coming from other countries that are geographically and culturally distant is rather small (Contractor et al., 2010) and recent.

Overall, economic literature agrees that there are a lot of reasons which explain why the companies do not start a subsidiary implementation process in China. Some of those reasons are the process complexity due to cultural differences, the high economical risk associated with this activity, the complexity of governmental relations, etc. (Solana, 2008; Contractor et al., 2010).

However, economic globalization is pushing the companies to develop and adopt a proactive international approach in order to take advantage of the new situation. This globalization phenomenon is created mainly by three work streams (Ruzzier et al, 2006; Buckley and Gauri, 2004). The first one is based on technological advances, which make economic, fast, and secure transportation as well as good global communication possible. The second one is tariff reduction, which allows and promotes global business while implementing facilities to finance business worldwide. The third and final work stream is the reduction of political barriers, which has increased the degree of freedom to operate in foreign markets.

Set on this framework, one of the solutions that companies are currently able to implement is the multi-location process, which in this work is understood as a situation wherein the company has more than one production facility in more than one country or market.

It is supported by different studies that China is one of the most significant destinations for multi-location (UNCTAD, 2009), even after considering that new markets are also being opened in different emergent economies. The reason behind the preference for China, instead of other countries, could be related with some local advantages from the supply and the demand side that companies access when locating there.

Since the beginning of the 80s, a large internationalization process towards China has been observed. From the first arriving of large corporations, the size of the firms and their strategic purpose has evolved and changed over the years. Actually, during the last years the

SMEs² are the segment which has carried out more intensive internationalization processes in China. Having said that, it is possible to infer that China currently has plenty of companies of different sizes, countries, industry activities and strategies.

All in all, the analysis of the internationalization process that those companies have carried out in a singular market like China represents a serious challenge, in particular due to the high number of failures documented (Solana, 2008). The reasons behind those failures are related with the difficulties that a company has to face when attempting to enter a new market, which range from facing great uncertainty or intangible resource requirements to lack of necessary knowledge to operate abroad (Pedersen and Petersen, 1998; Contractor et al., 2010). The troubles increase when the country is geographically and culturally distant and / or the company is small (Madhok, 1997).

In addition, as it is mentioned in recent studies related to the survival of manufacturing SMEs (Coucke and Sleuwaegen, 2008; Puig and Marques, 2010), the implementation of multi-location strategies in countries like China is key for the companies. In order to accomplish this requirement, it is necessary to overcome the limitations coming from the size and the top management skills, together with the implementation of an internationalization strategy. However, as noted by Solana (2008), although there are several studies that have addressed the process of internationalization of the multinational enterprise from different perspectives and approaches, just a few of those studies have done it by adopting a multi-location unit of analysis applied to manufacturing SMEs. This gap is even more relevant when the intangible factors are included in the analysis in order to assess how they affect the multi-location phenomenon.

The SME internationalization process follows a sequential-incremental model (Cavusgil, 1980; Johanson and Vahlne, 1990). Under a synthetic point of view, it could be said that the internationalization starts with seldom sales in foreign markets and it increases with more important agreements which are conducted also through sales. The step of implementing the facilities in the foreign country (multi-location) is considered the last step in the process.

Previous literature, rather than studying the foreign development process, is more focused on the importance of networks and institutional support (Rialp et al, 2005).

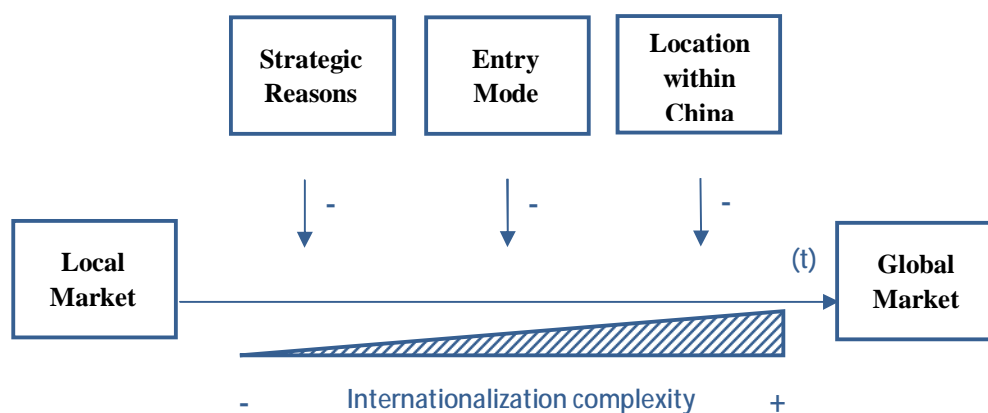
² SME: in accordance with the Spanish Ministry of Industry, it includes three kind of enterprises: Medium are those with less than 250 employees and a turnover \leq 50 millions of €; small are those with less than 50 employees and a turnover \leq 10 millions €; Micro are those with less than 10 employees and a turnover \leq 2 millions €.

In general, it is possible to state that the SME's (which have limited financial and managerial resources) multi-location process starts with activities in near markets that do not require a big resource commitment, followed by both cultural and geographical (export), and after some time an increase of commitments to the extent that the company begins to achieve benefits. However, in some cases new companies start the internationalization process immediately (Born-Global).

Considering the lacks and limitations that have been mentioned before, it is clear that a gap exists in the literature when relating the intangible factors on SMEs in the multi-location process towards China. For this reason, this paper aims to provide insight about the difficulties and risks that the internationalization process entails, the ones we refer to as International Complexity (IC). While recognizing other critical factors regarding the internationalization process (size, industry, etc.), as well as institutional and relational ones, following Buckley and Casson (1996) and Ramírez-Alesón (2004), this paper embraces such intangible factors. In order to achieve this goal the paper presents seven interviews with Spanish firms which are located in China.

Our work will be focused on the three key dimensions that the literature on internationalization takes into consideration: the type / mode of agreement (ownership), the location area in the destination country (location) and the strategic reasons (internationalization) (Agarwal and Ramaswami, 1992; McCann and Mudambi, 2005). In the following figure (2.1) the research scheme of this paper is explained, stressing the fact that the critical intangible factors may reduce the internationalization complexity when accessing some new markets, thus increasing the multi-location performance.

Figure 2.1: Research scheme.



Source: Authors.

The structure of this paper is divided into five sections. In the next section literature regarding the strategic concerns, the choice of an entry mode and the international market selection is reviewed. In Section 3, the methodology is presented. In Section 4, findings are discussed. And finally, in section 5, conclusions, implications and limitations are presented.

2.2. Theoretical framework.

Following Dunning's (1988;1992) eclectic framework, the internationalization and the transfer of productive activities abroad occurs when the following conditions are set: (a) the possession of key advantages persists abroad, (b) the exploitations of those advantages is more efficient when the company internalizes the advantages, rather than outsourcing them, (c) the localization of those activities is more profitable when they are more efficiently located in a third country and, (d) the internationalization process is according to the company's internal strategy.

The internationalization process is moderated by intangible factors (resources and knowledge that are difficult to imitate by competitors, Ramirez-Aleson, 2004), which influence the process and its performance. Those factors can also affect other parts of the company as a result of the internationalization (Cuervo-Cazurra, 2004). Thus, when a company becomes international, it faces a really complex scenario which becomes more difficult proportionally to the amount of resources committed and the scale of the distance of the host country (Yamin and Golesorkhi, 2010). Then, in order to better understand the relationship between the critical intangible factors and the multi-location process, the phenomenon is split into three main strands. This implies answering questions such as: Why multi-location? How is multi-location carried out? Where should we multi-locate? The process is different depending on whether a part or the whole factory production is multi-located, and whether managerial resources are extensive or located in one region or another (Agarwal and Ramaswami, 1992; McCann and Mudambi, 2005).

2.2.1 Strategic Reasons.

As aforementioned, the economic globalization is a fact that most of the companies are currently facing, and one of the key responses to this phenomenon has been internationalization (Sinkovics and Ghauri, 2009). The approach of the SMEs to carry out an internationalization process is rather different from that observed on the large multinational

companies. In this way, studies such as those of Julien (1996) show five types or different ways of internationalizing, ranging from acting locally up to export and import simultaneously in a foreign market (or multi-sited). This asymmetry in the strategic behaviour is produced, on the one hand, because SMEs have less financial and managerial resources and, on the other hand, because of a duality of the strategy adoption (Czinkota, 1982, Porter, 1982): a) a reactive attitude due to the fact that internationalization has become a strategic necessity to keep competing or b) a proactive attitude because this decision may give to the company a competitive package of benefits that otherwise will be difficult to achieve.

The reasons behind the reactive attitude are reflected by an increase of competition, an excess of capacity, a reduction of demand in its home market and as a solution to improve and face the internal problems (Albaum et al, 1989, Buckley and Ghauri, 2004). On the other hand, the proactive approach seems an optimistic view of the outcome, and for that reason it is perceived as an opportunity given by some internal advantage, which allows the company to successfully enter into a new market. This internal advantage also allows the company to adopt a position of strength within the market, by possessing the knowledge and skills related to a product which make the company distinct and unique (Pett et al. 2004).

In addition, it is necessary to keep in mind that a key strategic point involved in the process of internationalization is the manager. An important contribution to the entrepreneurship research and approach in the Upper Echelons is that business owners have a key role in determining strategies at SMEs (Hambrick and Mason, 1984; Stuart and Abetti, 1987; Shaver and Scott, 1991). Therefore, on the basis that the policy and the composition of the top directors of SMEs have a key role in the strategy formulation, their perception of the conditions or circumstances clearly is a factor that influences the internationalization complexity (IC). Thus, managers may interpret in different ways the triggers of the changes that take place in markets. This will be reflected in the level of resource commitment and new investments.

In line with the arguments that have been mentioned before, it is expected that the combination of manager skills and the local situation of the market is essential to select the optimal strategy for the company to face the IC in a way that allows an increase of the multi-location performance. Consequently, the following proposal is stated:

Proposal 1: The negative association between IC and the multi-location performance is positively moderated by the proactive attitude.

2.2.2 Entry mode selection.

The selection of the entry mode in a new market has always been the subject of an interesting and controversial analysis (Agarwal and Ramaswami, 1992). Economics and business literature consider this as one of the most important decisions to be done during the process of internationalization (Rialp et al., 2005, Brouthers and Hennart, 2007). It is one of the most studied aspects in the field of organizing international activities (Werner, 2002).

In this research it is understood as “*a structural agreement that allows the company to implement its marketing strategy for a product in another country, either the marketing operations alone or production and marketing carried out by the company itself or through a third company*” (Sharma and Erramilli, 2004). It is critical to remind the importance of that decision, since once established is difficult to change it back, especially when contracts or agreements have been established in a medium to long term.

A company faces different types of disadvantages when performing its operations in a foreign market, due to cultural barriers and lack of knowledge in the legal proceedings (Dunning, 1988). Thus, according to the study of Morschett et al. (2008), it is found that there is a positive correlation between the distance and the cultural features of a business which influence the entry mode and the type of subsidiaries employed. Thus, the higher the distance (geographical, cultural, administrative and so), the less recommendable is to establish a subsidiary, unless the company possesses important product or processes advantages. The option of being settled in the new market through a joint venture means that the company must take risks to create a large potential competitor, as the new partner will be able to imitate their skills, products or technology. Additionally, when legal entities are weaker and therefore companies are more exposed to possible bad practice by partners, companies should opt for a model that allows them greater control (Van de Ven and Poole, 1989). The literature states that for those companies with a competitive edge on their property, a higher level of control is recommended (Contractor and Kundu, 1998).

One more aspect with influence on the entry mode field is the size of the country, and this aspect becomes more important in the case of China. The market size has a clear influence on the entry mode that firms choose (Buckley and Casson, 1996), because depending on the business environment, the costs and benefits to the company will vary substantially. As market size increases, potential profitability of the internationalization process will too, and for that reason it will be possible achieve lower unit costs.

Therefore, it is important to assume that, in order to have a greater chance of success and profitability in a country of the characteristics of China, it is necessary to have significant resources commitment even when considering the high risks that this entails. Thus, the second proposal is stated:

Proposal 2: The negative association between IC and the multi-location performance, is positively moderated for WOFE choice.

2.2.3 Location within China.

The last key aspect that has been considered in this study is the one related with choosing the location of off-shoring the activities (Ayal and Zif, 1979, McCann and Mudambi, 2005; Contractor et al., 2010). Recent contributions have stressed the new opportunities that companies have when moving activities to different locations (Farrell, 2005), emphasizing the increasing predisposition of moving activities to low cost countries (Gereffi, 2006). In this regard, a company always has to face the complex question of where to locate its new facilities. This topic could take different approaches which go from the most systematic to the most subjective one.

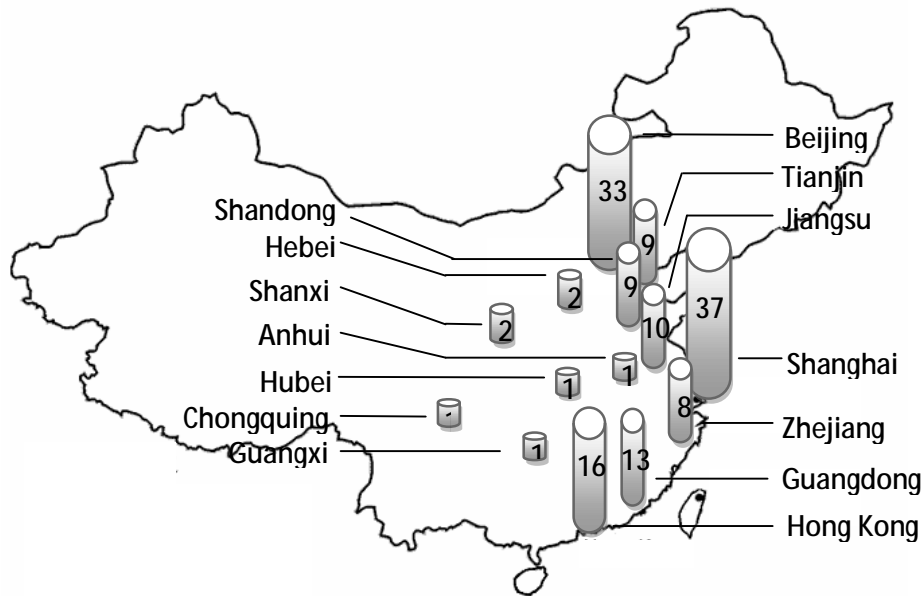
According with the traditional literature, an optimum location for carrying out a multi-location involves a set of advantages that a territory has compared to another one (Contractor et al., 2010). Consequently, when companies adopt an objective or systematic criteria, decisions are based on statistical methods or processes which help to discern more clearly the better country and the potential territory that will provide more benefits. In the case when a firm decides to follow a subjective approach, its expansion is conditioned by those elements which surround it. It is for this reason that the preferred markets are nearby countries, since knowledge of those will be sufficient even without any previous study (Johanson and Vahlne, 1977, Buckley and Casson, 1996).

For the reasons mentioned above, efficiency will be associated with a likely choice of the objective methods, since they include actions such as market research, monitoring the channels of communication or visiting the area of interest. The negative aspect is, however, that this method is always facing the same problem: the system becomes too complex to have a practical application (Brouthers and Nakos, 2005). Besides the problem related with the complexity, it is also needed to highlight that the objective methods present a static approach. This fact is especially relevant due to an increasing number of Chinese regions on the seaside in which there is a loss of benefits related with increased cost of labour (Knight et

al, 2010). As a result, many SMEs take their decisions based on hybrid models that limit their chances of successful implementation.

As an example, in the figure (2.2) it is possible to examine the distribution of multi-located manufacturing Spanish firms in China, clearly emphasizing the powerful presence on the coast and especially in large cities as Shanghai and Beijing.

Figure 2.2: The location within China of Spanish manufacturing companies.



Source: Authors.

In view of the cost saving motive as the primary strategic driver behind the multi-location of SME, and the progressive loss of competitiveness of China related with this matter, it has been made the following proposal:

Proposal 3: The negative association between IC and the multi-location performance is positively moderated for the location inside areas.

2.3. Research methods and data.

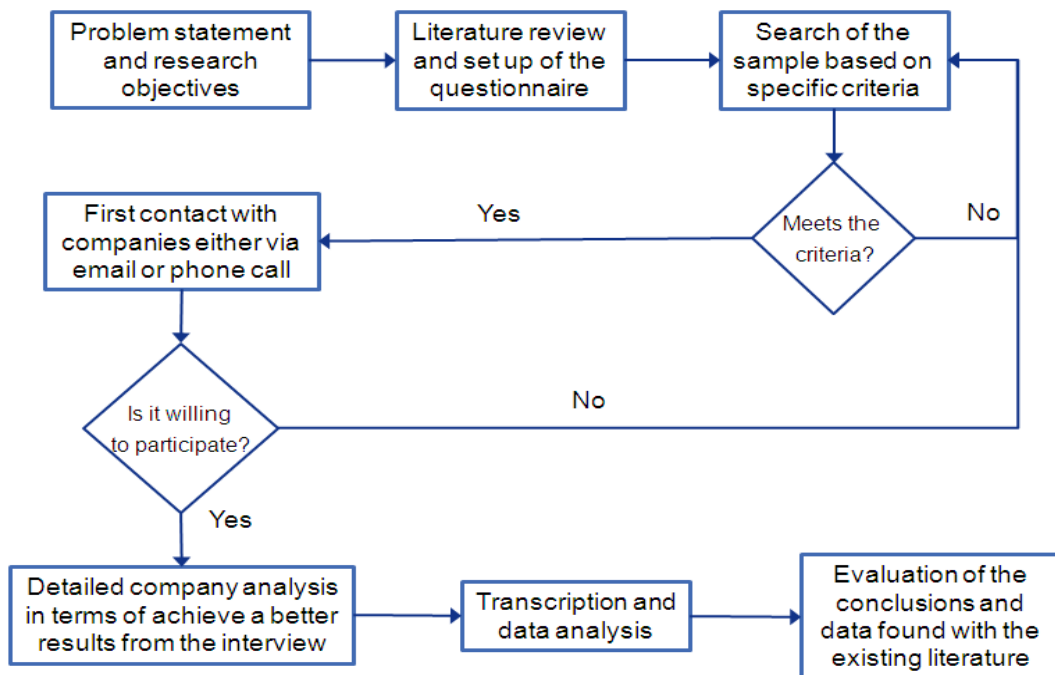
2.3.1 Methodology.

The methodology followed in this study was based on case studies (Yin, 1994; Eisenhardt and Graebner, 2007), a method widely accepted in qualitative research in international

business (Marsch-Piekkari and Welch, 2004). The reasons that have led this study to use this methodology are numerous, but it is possible to highlight two: 1) the conviction that the primary information would be of higher quality if it is obtained where the source is, and 2) the methodological principles underlying the research, since this way an assumptions and propositions that rely on empirical evidence can be created (Eisenhardt, 1989; and Gronhaug Ghauri, 2010).

The strategy of collecting and processing information is articulated around the following process (figure 2.3): First, a problem which the literature did not study in detail is stated. In the next step, a literature review related with the topic is carried out in order to elaborate the survey that was used in the interviews with the managers. Once the search criteria of the samples were implemented, the first filter was used and the first contacts with the companies were made. Longer and deeper interviews were carried out with the companies that accepted to take part in the study, in order to obtain the data to work with. After finalizing the interviews, they were transcribed and finally the data was analyzed.

Figure 2.3: Process and methodology of the study.



Source: Authors.

2.3.2 Sample.

Studies, as the Eisenhard and Martin (2000), highlight the importance of choosing the right sample in order to avoid selection bias. Thus, the samples should be selected because they

are appropriate to highlight and establishing links between them, and thus let build up consistent theories.

The sample was selected following the recommendations, of the related literature. It was considered that the companies must meet the following criteria: 1) operate in manufacturing sectors, 2) have less than 250 employees and a turnover less than or equal to 50 million euros and 3) be Spanish. According to the IVEX and ICEX 2010 database, together with the application of these requirements, the sample of firms surveyed was reduced to 28, although only 7 agreed to participate.

Later on, during the months of July to September 2010, the fieldwork was conducted. For this purpose, the directors of Chinese-Spanish SMEs were invited to be interviewed using structured interviews in two phases: in the first phase the overall company profile was analyzed and, in the second one, its strategic topics were discussed regarding the Chinese location. The interviews were conducted by the questionnaire previously developed, and it included closed, semi-closed and open questions. Thus the managers were allowed to express what they believe that is fundamental for the process of internationalization in China (Oppenheim, 1992). Each interview was recorded using an audio recording system and had an estimated duration of about 2-3 hours.

The following table (2.1) shows the seven companies, named from A to G, as well as details of their number of employees, year of establishment in Spain and China and additional information about facilities in other countries. In the last column their current situation in China is detailed.

Table 2.1: Sample details.

Company	Number of employees	Years	Years in China	Facilities in other country	Internationalization status
A	201	62	14	Yes	With representation and facilities
B	10	12	6	No	With representation and facilities
C	55	41	6	Yes	With representation and facilities
D	60	48	7	Yes	With representation and facilities
E	25	51	13	No	Import
F	114	32	2	No	Unsuccessful experience in China
G	5	33	5	No	Import

Source: Authors.

Following the data shown above, the firms in the study started their international activity between 1949 and 1999, all of them previously having been oriented to their respective national markets. In the table 1 it is also shown that most of them started the adventure in China in the 21st century, triggered by the globalization process.

2.3.3 Questionnaire.

As aforementioned, the data collection included the survey, followed by the literature's requirements and the specifications of our study.

The questionnaire design has been guided by the fact that the managers had not extra time for it, thus the questions were short and reduced. In addition, we also used secondary data and open questions to let the participants interact with the study and provide better feedback. In the questionnaire, the following structure was shown:

- § Interview protocol.
- § Manager's profile.
- § Corporate parenting and (the Chinese) subsidiary profile.
- § Motives to co-locate in China.
- § Mode of entry.
- § Details about the co-location process.
- § Open questions about the Chinese experience: pros and cons.

2.4. Results.

After gathering all the information, the conversations were transcribed and the information was completed with the thorough review of other documents provided for them. The main results are summarized in the Appendix 2.1. Finally, the evidence was triangulated and compared to previous literature.

2.4.1 Why multi-location in China?

The first answers obtained in this study were aiming the strategic motivation. This aspect presents particular interest due to the internal heterogeneity of the Chinese territory and, in particular, for the fact that an increasing number of Chinese regions in which loss benefits related with increasing labour costs can be observed (Knight et al, 2010). In addition to this,

it could be said that the common belief about the existence of abundant unemployed workers across China whose employment is cheap, nowadays is false in those regions that are more developed. However, in the most developed areas it is a fact that companies are facing a shortage of skilled workers, reaching the point sometimes where the implementation of new projects is slowed down, with the significant costs that this entails.

As a result, the first effects of this shortage lead to an increase of the labour costs, reducing potential profits, a fact that is also reflected in the results of our survey. According to some studies, the annual increase of the cost of skilled employees is around 20% (Knight et al, 2010). This is only the first step of an increasing demand of skilled workers and, especially skilled managers' recruiting is becoming a big issue there.

According to the results, it is evidenced that (foreign) SMEs in China are re-locating to Morocco or Turkey or just coming back home, due to the shortness of skills labor and the increasing costs of labour.

2.4.2 How to multi-locate in China?

The decision about the entry mode selection for SMEs is the result of a thorough analysis combining different variables. Beyond exporting, so far the most used method when the destination is China, there are also a number of conditions related to economics and legal reasons to consider. Thus, it becomes necessary to wonder whether a local partner is needed, usually under the formula of the joint venture. On the other hand, once the province to establish the facilities is chosen, it is necessary to review the specificities of that province. For example, while in mainland China (keeping in mind the possible regional differences) firms are subject to Criminal Law of the People's Republic of China, in Hong Kong investors have the protection of the Prevention of Bribery Ordinance. In this sense, the joint venture appears to be the most employed strategy to entry in China. Using this strategy it is possible to access the skills and cultural knowledge of the partner, which may minimize the IC of operating in that market. That strategy includes three alternatives: *government-owned businesses, village-owned businesses and companies owned by individuals*.

§ The companies associated with the government are companies under the direct control of the Chinese Government (Byrd and Gelb, 1990, Che and Qian, 1998).

§ In the case of companies that choose to settle within villages, these are not private ones, but they are not directly under the government either, thus presenting a greater autonomy in decision making process.

§ Finally, private firms are increasingly chosen as an option, although those that go for this option used to be small companies, giving this option total freedom of decisions.

However, the joint venture option in all its variants has some risks, ranging from the government intervention to the possible unfair transactions made by Chinese partners (Dacin et al., 1997). To minimize those risks new forms have emerged, known as Wholly Owned Foreign Enterprises (WOFE), where the subsidiary is 100% own capital, thus allowing retention of control and direction of operations. As Morschett et al. (2008) hold, the problem is that this method can be inefficient due to the high costs involved, but it can also be a great source of opportunities when the country of destination is large.

2.4.3 Where to multi-locate in China?

China is a country that has a very significant geographical variation, as well as a deep asymmetry in the infrastructural and economic development between coastal areas and inland areas. As a result, only Shanghai, Beijing and Hong Kong (metropolitan areas and areas of immediate influence) have been the objective of governmental investments in terms of infrastructure and economy during the last two decades.

Authors such as Zhao and Zou (2002) state that the location of the company in China, (i.e., choosing the right place) plays an important role in the success of the firm. This is reflected in the fact that the vast majority of the companies studied in literature settle down in Shanghai or Beijing. But it is worthy to notice that this trend is changing. Nowadays the companies are seeking greater penetration in the local market and in the inland regions of China which are growing faster, providing a good competitive advantage to those companies. The companies involved in the construction sector are an example which reflects that the location trend is changing. Due to the areas of the big cities are overcrowded and the market there is already saturated, the companies need to seek new markets where the demand is growing and where they face less competition, gaining thus a position of privilege.

2.5. Conclusions.

This paper's main goal consists of providing insight by analyzing those critical intangibles factors that are able to reduce the IC associated with the multi-location process and, which can consequently improve the performance associated with that phenomenon. In order to reach this objective, key dimensions suggested by the literature are analyzed together. This

study has been applied to the specific case of Spanish manufacturing SMEs multi-location in China. Furthermore, as suggestion by McCann and Mudambi (2005), the incorporation of the host destiny, allows to understand other aspects, so far less explored in the internationalization field, like the internal heterogeneity of the target country.

Consequently, our general results point out that:

Regarding the first proposal, and as a result of the qualitative analysis, it is observed that the response and implementation of the co-location in China responds to a model more reactive than proactive. That leads us to insist upon the need to state clear and concise objectives and define correctly their mission, in line with Solana (2008). That mission, at least during the early years, must be supervised by expatriate staff who is working on the bottom-line. It also has to be considered that China is moving fast and for that reason a proactive attitude is necessary to be competitive in the local market.

As suggested by Coucke & Sleuwaegen (2008), regarding the second proposal about the entry mode, it seems clear that the decision should consider the joint venture and a wholly owned subsidiary, as other methods involving a smaller commitment of resources (e.g. Exports) are becoming less profitable. On the one hand, the joint-venture partner's election will be a key factor in the success of the company. On the other hand, the subsidiary has to assume that it will take extra effort (financial and temporal) for the implementation of the commercial product lines. Nevertheless, since the subsidiary's option provides more flexibility, the multi-location performance can be improved.

Finally, regarding the third proposal, related to the location within China, the company should consider the option of inland areas, in terms of obtaining better prices on some of its inputs and achieving a better perspective for future development. When the main purpose is to obtain the lowest possible cost of labour, the company should opt for a different location rather than China or establish models that involve less risk and imports of offshoring / outsourcing.

In conclusion, the perceptions that the managers provided allowed us to conclude that the IC associated with multi-location in China may be reduced if the decision-makers take under consideration that this country is a big market and is extremely heterogeneous and complex. Hence, it is necessary to develop specific intangible factors for those companies that have decided to operate in China, thus reducing the disadvantages found in the host market (Cuervo-Cazurra and Genc, 2011). In terms of improving the critical intangible factors that have been discussed in this paper, we propose the following recommendations: 1) defining

the strategic objective previously to the entrance, 2) finding local suppliers, and 3) assuming that in the early years the company will need to have expatriate staff who control and monitor finances and strategic decisions effectively.

Finally, the results of this work are subject to a number of constraints on the process of gathering information and their nature. Our conclusions are derived from a sample of Spanish manufacturing SMEs. It is not possible to extend all the results in a general way to other countries and sectors. An extension of this work would be to test the robustness of the results in other sectors (e.g. services) and countries such as Italy or Portugal. In addition, it also seems interesting to analyze the role of the governmental actors supporting firms when these enter to emerging markets, i.e., institutional support.

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Appendix 2.1: Summary of the different responses about the multi-location process.

Company	Intangible factors	Description
A	Strategic reasons	The Chinese market offered good growing perspectives for the company, due to their product fitted perfectly with the market necessities.
	Entry mode	This company started with a representative office, and after two years it was decided to establish facilities in China through capital increase.
	Location within China	Regarding the physical implementation in Shanghai (1997), all the operations were conducted by an external consultant.
B	Strategic reasons	The decision was taken after five year of exporting products from China and due to the fact that the market offered both, good and positive growing perspectives for the company.
	Entry mode	Since the company had enough financial resources and they wanted freedom among their decision-making process, it was decided to enter in China as a “Wholly Owned by Foreign Enterprise”.
	Location within China	Ningbo was the location chosen, since the water pipes cluster is placed there.
C	Strategic reasons	The decision was based in both factors, the competitors located in China were growing fast and the package pricing was increasing. In addition, China was developing a good industrial market.
	Entry mode	The initial idea was establish the company through a joint-venture, but due to the operation represented high risks, it was chosen the WOFE mode.
	Location within China	The facilities were located near to Shanghai area (Pinjo) because automobile industry is strong in that Area. The implementation processes were carried by the owner, but supported by external consultants (ex. Search for the location).
D	Strategic reasons	On one side, the market in China represented the best option concerning the costs level, factor that allowed the company reduce the final price. And on the other side, their most important clients started to move their productions there.
	Entry mode	It was decided to use Joint-venture as a entry mode, as this way was easier to carry out all the implementation processes in China (the partner has the right connexions).
	Location within China	The facilities were open during 2004 near to Shanghai area (Ningbo). In this case, the partner was who conducted all the operations.
E	Strategic reasons	The labour costs and the technical knowledge that the Chinese companies have about lighting industry were the main reasons.
	Entry mode	Around the 85% of the production was outsourced. Nevertheless, due to the current situation this percentage has dropped down until 50%.
	Location within	Since the lighting cluster of China is established in

	China	Guangzhou area, this was the location chosen. Also both, IVEX and ICEX recommended them this area.
F	Strategic reasons	First of all, it was wanted to start to sell in Asian markets, and with special emphasis in China. And secondly, the company had previous experiences in China since they have been buying supplies there.
	Entry mode	The decision of use Joint-Venture was supported by two arguments. The Chinese market was unknown (sales) and all the human resources issues were managed by the partner.
	Location within China	Since the lighting cluster of China is established in Guangzhou area, this was the location chosen.
G	Strategic reasons	The necessity of reduce the labour costs to be competitive in the market
	Entry mode	The percentage of the outsourced production has been increasing during the last five year, coming from the initial 10% until the current 80%.
	Location within China	Since the lighting cluster of China is established in Guangzhou area, this was the location chosen.

Source: Authors.

CAPÍTULO 3

DOES THE PUBLIC SUPPORT SERVICE MATTER IN THE MULTI-LOCATION PROCESS?

Journal of Asia Business Studies



Does the Public Support Service matter in the multi-location process?

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Manuscript Type:	Research Paper
Keywords:	China, Multi-location, Public Support Service, Internationalization

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Review

DOES THE PUBLIC SUPPORT SERVICE MATTER IN THE MULTI-LOCATION PROCESS?

Abstract: Does the Public Support Service (PSS) matter in the multi-location process? In a globalised environment, the firm's survival is conditioned by a committed, prompt and effective international development. This paper presents the main factors relevant for studying the importance of PSS in the multi-location process of companies in China. The arguments are tested in the context of managerial decisions while an overarching understanding of the fit with the local institutional environment is provided and the support exerted by institutional bodies is explored. In order to achieve these goals, a mixed methods research which combines an extensive qualitative and quantitative analysis of 31 firms is used. The main conclusions highlight the fact that the PSS does not seem to have a big influence on the multi-location process, although those companies with high levels of commitment which have been multi-located in China for a longer time have used it more frequently. This paper may contribute to guide policy-makers in designing and implementing policies to support enterprises in the process of multi-location in China.

Keywords: China; Multi-location; Internationalization; Public Support Service;

3.1. Introduction.

The process of Globalization requires companies to go through a company transformation and become international players. Although this process can adopt different forms, multi-location is one of the most used and recurrent ones. Globalization, measured through personnel and production, is thriving remarkably (Cavusgil et al., 2009), with China being a prominent host destination in the process (UNCTAD, 2009). However, globalization also implies an increase of complexity due to cultural differences, uncertainty, risk exposure and red tape (Solana, 2008; Contractor et al., 2010), which can be reduced by collaborating with business advisory services. This collaboration, in particular through business networks, enables Small and Medium Enterprises (SMEs) to accelerate their internationalization process and to achieve a higher performance than the one they could reach alone (Coviello and McAuley, 1999; Lu and Beamish 2001).

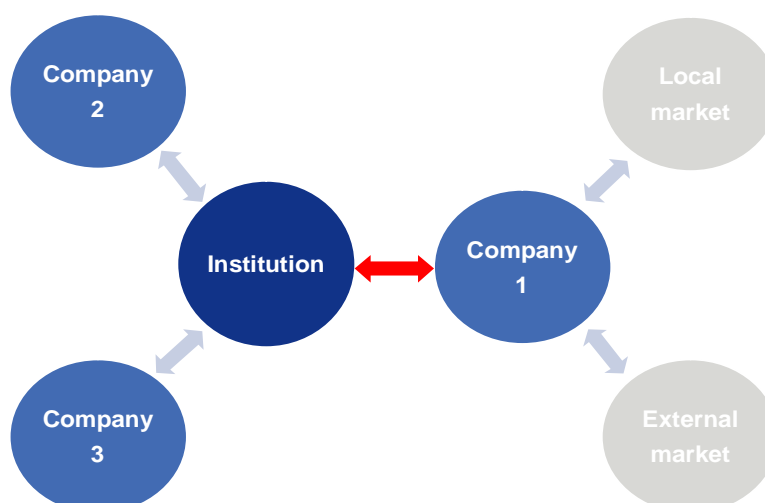
Along the internationalization process, the firm has to interact with people from distant territories. Geographical distance is a well-studied barrier in the international trade literature (Beckerman, 1956; Learner, 1974) and is defined as a set of factors which make a foreign environment difficult to understand (Johanson and Wiedersheim-Paul, 1975). Due to their geographical distance internationalizing may incur in high transaction costs to some countries, specifically to those which have a physical movement of goods (Morrissey and Filatotchev, 2000). For this reason, it is expected that companies will prefer to internationalize to countries closer to their home environment in geographic distance terms.

As mentioned before, multi-location is a particular form of performing an internationalization process, which is widely recognized in China as a must for SMEs survival (Coucke and Sleuwaegen, 2008; Puig and Marques, 2010). Nevertheless, all constraints faced by SMEs make the process of multi-location difficult, especially when the distance (in terms of Ghemawat, 2011) is so important. In the adoption and implementation of multi-location strategies there are different factors (entry mode, location, etc) which will prove to have a direct impact on the results obtained. One of these factors which companies are able to use in order to mitigate the risk of the multi-location process is the Institutional or Public Support Service (PSS), which in this work is understood as *an entity or person who is known to have skill in a specified field and communicate the knowledge to the business owner* (Schaper and Volery, 2004).

On the one hand, PSS may serve as a useful instrument to overcome the geographical barriers (Berry et al., 2006), because these services may be helpful in finding partners and facilitating the creation of a necessary level of trust and mutual understanding even at very remote distances. However, the more geographically distant the potential country of entry is, the less probable is the presence of external support in that particular country. Thus, one might expect there to be a contradictory influence of remoteness on the use of public support. On the other hand, PSS may be helpful in addressing the cultural and psychic distance problem. Researchers have highlighted the fact that cultural distance plays a crucial role in the attitudes and the perception of managers from different countries towards the types of support selected (Yusoff and Zainol, 2012). Having a similar culture will make it easier to establish new business contacts. This is the reason why it is referred to as cultural distance or psychic distance rather than physical distance between the home country and the foreign country.

Understanding the factors which determine a weak relation between companies and institutions (Figure 3.1) is important because it affects the prospects of individual firms and their performance in the external market (Blundell and Costa Dias, 2000). Consequently, the first objective of this article is to clarify and understand which role the PSS plays in the multi-location process. Secondly, the objective is to analyse the degree and scope of collaboration between PSS and Spanish firms which have initiated a multi-location process in China. We test our arguments in the context of managerial decision.

Figure 3.1: Relation between companies and external support.



Source: Authors.

To achieve the intended objectives, this paper proceeds with providing empirical evidence about SMEs multi-location in China from Spain. In addition, it provides an overarching understanding of the fit with the local institutional environment and it explores the support exerted by public advisory services which promote internationalization from developed countries towards China.

This work is organized as follows. In the first section, the contextual factors to be considered when entering in China are introduced. In the second and third section, the work presents the literature review on the topic of PSS and describes the methodology used. In the next section, the results are exposed with the intention to derive the degree of importance that governmental institutions represent for private companies in China. In the last two sections, a discussion of the results and the conclusions are presented.

3.2. Chinese market profile: contextual factors to be considered.

3.2.1. Foreign Direct Investment (FDI) in China.

During the last decade, a steady increase of the FDI could be observed in China. The main reason behind this increase is the government's commitment with the international openness policy and market liberalization which has allowed an unprecedented entry of FDI and has resulted into making China the world's leading recipient of FDI in terms of flow. Among the main factors which have boosted this investment flow, it is possible to observe a strong GDP growth, a large domestic market and comparative advantages in terms of labour costs and economies of scale (Wei and Liu, 2001).

Table 3.1: Overview of the FDI in China.

Year FDI in China*	2002-2003	2004-2005	2006-2007	2008-2009	2010-2011
Total (M€)	79.327,50	91.415,50	104.259,00	136.745,50	167.721,00
Spanish (M€)	41,57	97,75	222,30	759,52	1.426,52
Origin of FDI in China	Hong Kong	Asia	USA	Europe	Others
Total (2011)	63%	18%	4%	5%	10%
Sector of FDI in China	Manufacturing	Strategic sectors	Commercial/Wholesales	Real estates/Financial	Other services
Total (2011)	52%	7%	14%	25%	2%
Spanish (2011)	6%	2%	3%	88%	1%

**Sum of two years*

Source: MOFCOM, DataInVex, and authors.

Upon analysing both aspects, origin and sector, together with the FDI evolution along the years, it is possible to state that China is dominated by Asian companies, meaning that western companies need to take actions to gain more share market in a really profitable economic region (Pan and Chi, 1999; Buckley et al., 2007). Concerning the investment which Spain has made over this period of time in the Asian giant and taking into consideration the data provided by DataInVex³, it seems clear that investments have had a very gradual and regular increase. However, the amount of this FDI compared with the total volume received in China is still very low, since it just represents 0,44% of the total market share. Therefore, it is essential for the Spanish government to understand the reasons behind this low FDI and to provide solutions to overcome the current situation.

When studying the Spanish FDI towards China in more detail, it is observed that an unbalanced exchange has taken place. This is because during the period of high economic growth, the rates were under upward pressure, which made it less attractive to invest in Spain. When the economic cycle reached its end, the Spanish firms decided to invest abroad in order to diversify their risks. Furthermore, it is necessary to mention that during 2007 and 2010 there was a big increase of the Spanish FDI towards China. This was due to the turbulences of the Spanish banks derived from real estates (2010) and the financial crisis (2007), which forced companies to seek economical refuge in foreign markets.

3.2.2. Geographical FDI distribution in China.

The location where the FDI goes is very mixed, due to the fact that China is a very diverse country which integrates 31 provinces. Among these provinces there are regions with different administrative regulations as well as municipalities with unequal size and number of population. However, despite this high number of provinces, it is possible to cluster all of them in two main areas based on their geographic and socio-economic differences (Figure 3.2). Consequently, one could be identified as the Inland China and the other as the Coastal China.

The Inland China's group incorporates those provinces which are landlocked. At the same time, this group can be divided into two different subgroups the farther, inhospitable regions and the central regions. The first subgroup has great potential of development due to the

³ DataInVex: database owned by the Spanish Ministry of Industry, Tourism, and Commerce, which provides internal and external statistics via an online portal.

natural resources it has at its disposal. However, those are the regions of China with the smallest population. In the second subgroup, there is a higher density of population, but since the development of the region is based on agriculture, it holds a low economical income. In comparison, the Coastal China's group is composed by the regions with access to the sea and which in addition also have been the subject of investment by government in recent years. The group of major cities in China is formed by the municipalities of Beijing, Shanghai and Hong Kong and currently are the focus of FDI and thus the most visible face of China. The area that would be covered for the 3 cities together does not exceed 4% of the total land area, but in fact has 154 millions inhabitants and also is where are located the representative offices and the 90% of Spanish companies in China.

Figure 3.2: Socioeconomic aggregations and External Support locations.



Source: FIB and authors.

The factor that has contributed most to attract investment and add competitive advantages to coastal areas is the infrastructure development (Cui and Liu, 2000). Both the central and provincial government invested heavily in this field which has strengthened the competitiveness of export-oriented industry, contributing to industrial development in the area and allowing to complete the necessary cost reduction. In fact, currently, harbours and airports are facing a problem of overcapacity, which has resulted in strong competition among other ports which want to attract traffic and make maximum use of their facilities. Finally, with respect to inland areas, the competitive advantages in cost of storage and shipping containers, which the majority of Chinese harbours have, are missing in these inland areas. The main problem of these regions is that although they enjoy rail

infrastructure, roads and waterways, they are often underutilized or managed in an inefficient way, resulting in a cost increase of container treatment unsustainable for business.

3.2.3. Entry mode in China.

The choice of the entry mode has been one of the most important factors for companies in carrying out the process of internationalization (Agarwal and Ramaswami, 1992; Brouthers and Hennart, 2007). It is necessary to stress the importance acquired by the correct decision to choose the entry mode, since once established it is difficult to change, especially when medium to long term contracts or agreements are in place.

Differences between Chinese and Western standards and the effort and complexity involved in establishing a business relationship with a local partner, makes most consultants advise the establishment in China through a Wholly Owned Foreign Enterprises (WOFE). As shown in table 3.2, a shift in the way of settling in China has occurred over the past two decades. From 30% of companies established in 1992 by WOFE the percentage rose up to 70% in 2012.

Table 3.2: Distribution among Joint-Venture and WOFE.

Year	1992	2002	2012
WOFE	30%	55%	75%
Joint-Venture	70%	45%	25%

Source: McKinsey and authors.

Concerning the decision to select joint venture as an entry mode, this is only recommended when the company plans to get involved in regulated industries that have the requirement for a local partner, or in sectors such as distribution, where the local partner may have high value added.

3.3. Literature review.

3.3.1. What is a Public Support Service?

In order to study the factors behind the PSS, first it is necessary to analyse the nature of the business support. Literature shows that advisory service can be categorized in two types of providers: public services and private services (Johnson et al., 2007). While private advisory firms usually offer their services motivated by commercial reason, public services are non profit based (Schaper and Volery, 2004; Yusoff and Yaacob, 2010). Both providers have a

wide range of services to support the companies' requests. The literature also states that advisory service is a program provided by the governments, which is divided in two categories: management consultancy services and quality control and design improvement (Moha and Asri, 1999).

Another point of view in literature concerning institutional services has concluded that the sources of advisory service can be classified based on areas of function (Berry et al., 2006), government administrative units, professional specialists or business agencies. In this regard, Ramsden and Bennet (2005) have clustered the service providers into three categories based on the nature of their work. These three categories are private sectors, business association and public sector. The services provided depend on the type of problems the firms encounter. Within the private sources there are professional specialists and local associations, as well as a mixture of consultants. Under government supervision there are the relevant ministries, agencies and local authorities which despite the fact that they provide a non profit service they are not the most preferred sources of support.

Moreover, a business adviser would be the person who provides certain skills in some of the aspects related to business operations such as internationalization or multi-location (Schaper and Volery, 2001). According to this approach, Stanger (2004) stated that a business adviser does not necessarily have to be only one person, but it could also be an organisation, which provides advisory services in verbal or published form. Through the advisory services, firms can obtain a valuable know-how from experts and gain intensive support in solving their constrains (Hill and Neeley, 1988). Wren and Storey (2002) assert that the advisory services acquired could supply technical expertise to support the companies in running their business.

3.3.2. The influence of the Public Advisory Service and its usage in the multi-location process?

In order to study the influence of the Public Advisory Service in the multi-location process, first it is crucial to have a comprehension of the nature of the PSS. The context for market interactions is shaped by the institutional environment, which also includes the legal system and the social behaviour (Scott, 1995), and which determines the relationship between economic factors and domestic entrepreneurial activities (Spencer and Gomez 2004). Firms working in emerging markets which lack a stable legal system and transparent political environment, such as China, may have to rely on their networks to carry the multi-location process (Shirokova and Mcdugall-Covin, 2012). According to Musteen et al. (2010), when

the level of uncertainty of the institutional environment rises, the influence of international support is less relevant because the managers rely on their personal networks.

Previous studies highlighted the fact that institutional environments may influence companies' activities as well as the innovation in a certain country in both aspects, amount and manner (Bartholomew, 1997). The importance of institutional environment has been increasing remarkably in all areas of management research since the theories in this field have been able to capture aspects which the concept of culture is not able to sieze (Busenitz et al., 2000; Hoskisson et al., 2000). In this sense, the role of the institutional advisory might represent the key factor in the foreign market expansion process, although its influence is holistically reflected in the overall success or failure of the internationalization, making it difficult to identify in which phase it has a better performance (Oparaocha and Ricardo, 2011).

Overall, it can be stated that the use of PSS by companies is influenced by certain characteristics, with firm age and firm size being the most important ones (Ahmad and Latif, 2012). Following this line of thoughts, while big companies usually experience a higher number of problems than small firms, they also require the external support more (O'Farrell et al., 1993; Robson and Bennett, 2000). In addition, as O'Farrell et al stated, it is more common that older firms seek advice with less frequency than younger firms. A positive correlation between firm age and firm size in regard to the use of advisory services has also been indicated by Jay and Schaper (2003).

However, there are other studies which have defined different variables and reasons as an explanation for the use the institutional advice. Among these studies, the one which stands out most is Jianzhong and Hong's (2009), who declared that firm size and sector are the variables among Chinese SMEs which explain the PSS usage. According to their study, big firms which both manufacture and serve the export market, as well as have growth oriented strategy and cost effective services, tend to use the external support more. Nevertheless, in contradiction with Jay and Schaper (2003), the study of Jianzhong and Hong (2009) argues that firm age and PSS usage have an inverse relationship that might not even be significant. As mentioned before, there are other reasons which determine the use of institutional support. In this regard, it has been proposed that the institutional support is used to gain additional knowledge and skills that the firms are lacking (Jay and Schaper, 2003).

3.4. Research methods and data.

In order to achieve an accurate result from a not very common situation, the correct sample selection is very important (Eisenhard and Martin, 2000). The samples should be selected as to be appropriate to highlight and establish links between themselves, thus being able to build up consistent theories. Based on that, the research has been conducted using mixed methods (Creswell and Plano Clark, 2011). In this type of research elements and techniques of qualitative and quantitative methodology are combined (Johnson et al., 2007). Through the qualitative methodology it was intended to collect sensitive information and establish relationships between the managers' experiences and the process of decision making (Rouse and Daellenbach, 1999). The objective of the quantitative methodology was to have a better interpretation of those findings (Marsch-Piekkari and Welch, 2004), and to establish a fundamental connection between the empirical observation and the current economic literature.

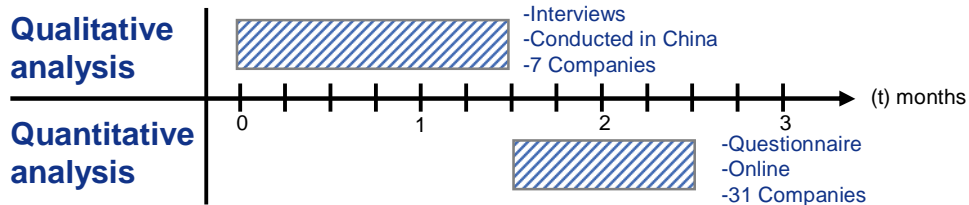
3.4.1. Data collection and analysis.

A primary and a secondary source were used to gather all the necessary information. The primary sources consisted in the interviews and the web-based survey designed and conducted by the authors in 2011-2012 in two stages (Figure 3.3). The first stage was characterized by studying and discussing strategic topics with 7 out of the 31 companies which accepted to participate. The interviews were conducted with the questionnaire previously developed, and it included closed, semi-closed and open questions. Thus the managers were allowed to delve into additional issues which they believed had been fundamental in the process of multi-location in China (Oppenheim, 2000). Each interview was recorded using an audio record system and had an estimated duration of one to two hours.

The second stage of data collection was conducted using a new web questionnaire which all 31 companies were invited to complete. An e-mail was sent out to all the companies with a link to the web-survey and an explanation of the survey's purpose. With the intention of increasing the participation rate, a second e-mail was sent as a reminder two weeks before the deadline. This questionnaire was devoted specifically to highlighting the findings of the qualitative study conducted in China. To facilitate the answers to the interviewees and capturing their responses in a proper way, a 5-point Likert scale was used, on which five

denotes complete agreement and one complete disagreement. For its preparation the recommendations listed in Manfreda et al. (2002) were considered: graphic layout, presentation of questions, and the number of questions per page.

Figure 3.3: Methodology phases and characteristics.



Source: authors.

The secondary source was used to collect more information related with the companies in order to complete the results obtained with the primary source. This source was composed by the database of both *Sistema de Análisis de Balance Ibéricos* (SABI) and *the Instituto Español de Comercio Exterior* (ICEX). In order to study associations between the variables (qualitative) which are presented in the next section, the analysis techniques used were the contingency tables and statistics tables of double entry which describe a population (or sample) from simultaneous analysis of two attributes or factors. The Chi-square statistic tests the null hypothesis of independence between the variables. Therefore, for p-values less than 0.05 (95% level) the hypothesis is rejected and consequently it is acknowledged that there is some association or dependence between variables.

In the case when there is an association between two variables, the level of the bivariate relationship can be measured by calculating the measures of association. According to Sanchez (1996) and Perez (2001), when the association analysis is done on 2x3 or more variables tables, the statistic V of Crammer is used. If the statistical value is very close to 0, it is interpreted as no association. On the other hand, if the statistical value is close to 1, the ratio between the variables is very high.

3.4.2. Firm profile.

Although the sample was not restricted to any particular industry, it had to meet two main criteria. Firstly, the companies had to be Spanish, and secondly they had to be located in China. Taking into account all the previous information, our target group was composed by 217 firms. In the end, a total of 31 companies had participated and the final ratio between companies approached and replies received was 14.1 per cent, which leaves 85.9 per cent of

non-responses to be explained. The main reason behind this low ratio is the nature of the respondents, which were CEOs (42 %) and directors or members of the management board (58 %).

In the following table (3.3) the descriptive analysis of the thirty one companies interviewed is presented with regard to their size, year of entry, location in China, entry mode and the company's industry.

Table 3.3: Descriptive analysis.

	Percentage %	Number of companies
Company Size		
Small	40 %	13
Medium	36.7 %	11
Big	23.3 %	7
Year of entry		
Before 2000	25.8 %	8
2001 - 2005	32.3 %	10
2006 - 2012	41.9 %	13
Location area in China		
North	19.4 %	6
South	16.1 %	5
East and center	64.5 %	20
Entry Mode Choice		
WOFE	71 %	22
Joint-Venture	16 %	5
Representative office	13 %	4
Industry		
Manufacturing	22.6 %	7
Wholesales	38.7 %	12
Both	38.7 %	12

Source: authors.

3.4.3. Questionnaires.

The following criteria were taken into consideration when designing the questionnaires. First of all, since the managers do not have a lot of time available the questions had to be as short as possible (qualitative questionnaire: average time of 2 hours, quantitative questionnaire: average time of 20 minutes). Secondly, the questions asked tried to avoid sensitive information while using the secondary source to answer this type of questions. And finally, the questionnaires were designed with precise questions which were expected to reflect the

participants' views of the institutions, while allowing comparison among the other participants.

Although the research was composed by two questionnaires, both had the same structure intended to highlight the following critical factors from different angles:

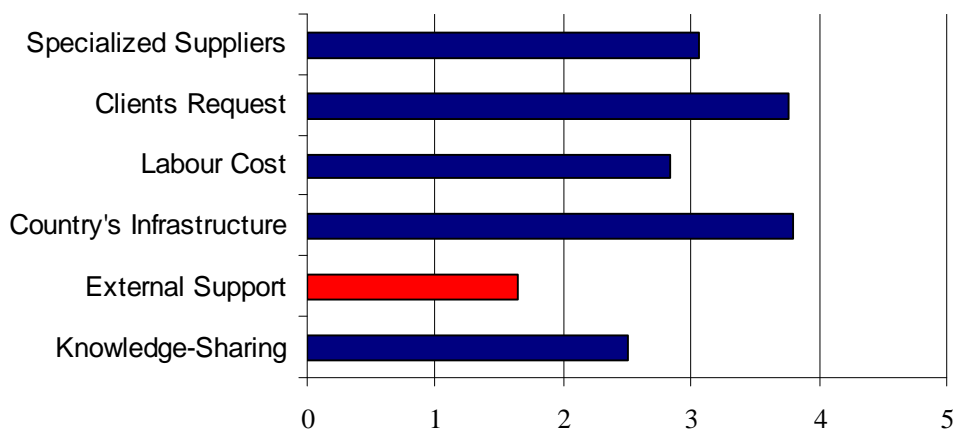
- § The importance of certain factors in the multi-location process: the aim was to understand how important external support is compared with other critical factors in the multi-location process.
- § The relationship between collaboration and multi-location strategy: it was intended to collect the entrepreneur's opinion about the frequency with which their companies had needed support due to lack of knowledge or resources in certain areas during the multi-location process.
- § The satisfaction level with the external support: the managers were asked to evaluate the external support received along the processes.

3.5. Results.

3.5.1. The importance of the External Support in the multi-location process.

Once all the valuable and necessary information was collected from the companies, the conversations were transcribed and the data was processed. The following figure (3.4) shows the importance that the interviewed companies attached to external support as opposed to other critical factors in the multi-location process.

Figure 3.4: Scoring of different factors in the multi-location process.



1 = non influential; 5 = very influential

Source: Authors.

In figure 3.4 it can be observed that both the Clients' Request and the Country's Infrastructure (3.8) are key aspects for the companies when deciding to carry an internationalization process in China. The reasons are based on the need of a very well developed infrastructure, as it was mentioned in the subsection 2.2, and a chain reaction effect that was initiated by big companies. Those companies went to China first (80s and 90s), while the others had to follow them to remain competitive compared with Chinese companies.

On the other side, the knowledge exchange and the institutional advice received the lowest scoring (1.7 and 2.5). In this sense, even if the admission in the World Trade Organization (WTO) had contributed to clarify some doubts and fears about this restricted market, the reality is that key aspects for the international trade such as tariffs or the intellectual property rights are still far from being what is expected from an international regulated market.

Therefore, from this preliminary analysis it can be concluded that the institutional advice does not have a significant impact on the multi-location process. Based on this low score on the PSS importance, it was decided to break down the results and study the root causes behind them.

3.5.2. Who collaborates with the External Support and what is the scope of such collaboration?

The degree of collaboration with the external support in the multi-location process may differ widely between companies. For those firms with multi-location experience in other countries, many of the initial tasks are familiar and consequently they do not need an ES. From the evidence that 71% of the companies had a brief collaboration with business support services, it is necessary to study and understand the association with some key company factors: the size, year, location, entry mode and activity. To do so, the following table (3.4) which contains two sets of associations is used: firstly it shows the features of the multi-location strategy (size, year of entry, location area, entry mode and activity) and the degree of collaboration, and secondly the multi-location strategy and scope of the collaboration.

Table 3.4: Cross tabulation multi-location strategy / collaboration.

	Collaboration		Scope of collaboration	
	None	Some	One phase	Several phases
Company Size				
Small	0.7	-0.7	0.3	-0.3
Medium	-0.8	0.8	0.8	-0.8
Big	0.1	-0.1	-1.3	1.3
**p<0.05 *p<0.1; Cramer's V 0.15, sig 0.71; Cramer's V 0.28, sig 0.41				
Year of entry				
Before 2000	2.1	2.1**	-0.6	0.6
2001 - 2005	0.1	-0.1	0.8	-0.8
2006 - 2012	1.8*	-1.8	-0.2	0.2
**p<0.05 *p<0.1; Cramer's V 0.41, sig 0.07; Cramer's V 0.16, sig 0.73				
Location area in China				
North	1.3	-1.3	-0.5	0.5
South	1.7*	-1.7	0.1	-0.1
East and center	-2.3	2.3*	0.3	-0.3
**p<0.05 *p<0.1; Cramer's V 0.42, sig 0.06; Cramer's V 0.09, sig 0.89				
Entry Mode Choice				
WFOE	-1.7	1.7*	1.8*	-1.8
Joint-Venture	-0.2	0.2	-0.5	0.5
Representative office	1.4	-1.4	-1.2	1.2
**p<0.05 *p<0.1; Cramer's V 0.29, sig 0.26; Cramer's V 0.37, sig 0.21				
Industry				
Manufacturing	0.9	-0.9	1.3	-1.3
Wholesales	-0.4	0.4	-1.0	1.0
Both	-0.4	0.4	-0.1	0.1
**p<0.05 *p<0.1; Cramer's V 0.16, sig 0.65; Cramer's V 0.29, sig 0.37				

Source: Authors.

The interpretation of this table can be done at two levels: a) it can be examined whether there is a dependency between the model variables and b) if yes, the strength of this dependence can be measured. For the first case (as it was explained in the methodology) the significance of each crossing will be used, while for the second case the reading of the adjusted residuals of each cell will determine the dependence.

At a more detailed level, it is possible to analyse the information in each cell. The first cell shows the association between Collaboration with ES (none) and the Company Size (Small).

The result is measured by adjusted residuals (0.7) and indicates that both variables are independent, which can be interpreted as that the small size does not increase the collaboration rate.

According to the value of the remaining adjusted residuals of every cell, different conclusions based on a zero, half and significant dependence can be established. In the first group, most of the cells have the association between the Scope of Collaboration with the Year of Entry and the Location Area in China.

In the second group (in bold), we have those cells which collect adjusted residuals that have half dependence, but which need to be considered because they indicate trends. In this regard, the following cells can be mentioned: Big/ several phases (1.3); Manufacturing/ One Phase (1.3) and Wholesales/ Several Phases (1.0). The first trend shows that due to the fact that big companies have more problems, they need to be in contact with public institution on a regular basis. The trend of Manufacturing/ One Phase shows that this is a more stable industry and consequently the companies need less external support. Finally, the trend Wholesales/ Several Phases, leads to the assumption that in this type of industry more support is needed because it is a relatively new area for the companies in China.

In the third group there are those cells which gather strong associations. In this sense, the inverse association between the latest year of entry in China and no collaboration (1.8) and the positive association between the location in East/ Central and Entry Mode of WOFE (2.3 and 1.7) can be highlighted. Regarding the “Year of Entry”, the need of ES is directly related with the lack of information about China Before 2000 (2.1). As noted by Cavusgil et al. (2009), nowadays the new technologies and the cutting-edge communication stream are allowing a significant increase in the transfer of activities among countries and therefore the trend has reversed. On the topic of “Location area in China”, the reasons that can explain this positive association are the proximity between companies and the external support delegations (Shanghai), and that in this area are located the oldest and more experienced delegations. At last, the positive association of entry mode of WOFE is because for the new companies this represents in most of the cases an unknown formula to set a company in China.

3.5.3. What is the relationship between the scope of collaboration and the satisfaction of collaboration?

Finally, in this section, the answers provided by the executives regarding the satisfaction level of the multi-located companies which received external support in the different phases

in China (with the external support in the different phases) are presented. The results of this analysis are reflected in the following table (3.5).

Table 3.5: Cross tabulation scope / satisfaction.

	Low	Satisfaction Medium	High
Scope			
One phase	3.0**	-1.7	-1.7
Several phases	-3.0	1.7*	1.7*

**p<0.05 *p<0.1; Cramer's V 0.63 sig 0.01

Source: Authors.

At a first glance, the existence of a strong dependence between both variables (Cramer's V 0.63) becomes obvious. Regarding the level of association, this dependence is very strong in the relationship One Phase/ Low Satisfaction (3.0) and Several Phases/ Medium and High Satisfaction (1.7). On the one hand, this result highlights the importance of being long term oriented rather than short term oriented in China, and on the other hand, it demonstrates that the real value add provided by the external support lies in the whole value chain and not in a single step.

3.6. Discussion of results.

As main findings for governments and policy-makers, it can be stated that currently the ES does not have a big impact in the process of multi-location in China, and when it does, its effectiveness is heterogeneous. This assertion is in line with Musteen et al. (2010), since they state that the level uncertainty in China is high and companies tend to rely on their own sources instead of PSS. Also, the results show that ES is more appreciated by big companies (O'Farrell et al., 1993; Robson and Bennett, 2000; Jianzhong and Hong, 2009) which have a high level of commitment and which have been multi-located in China for a long time. Nevertheless, this study reflects that the companies' age and PSS utilization do not have a significant relationship (Jianzhong and Hong, 2009).

The results also suggest that companies seek the external support depending on their own constrains (financial, lack of competences, and others), a fact which allows an agreement with the conclusions that Spencer and Gomez (2004) reached. Furthermore, the scope of collaboration depends on the location's area, while the companies' satisfaction is positively

related to the level of scope. Regarding the satisfaction with the public advisory service, the executive's expectations of the early phases are not fulfilled, but the satisfaction with all the phases together is high. In order to obtain a holistic and a more comprehensive idea of this contradiction among the participants, it was necessary to review the qualitative analysis and in some cases to contact the companies again.

It was possible to detect some of these contradictions immediately, as one of the interviewed executives stated “...*the logistical support provided by ICEX was very practical, because it has facilitated us a temporary space where we were able to establish our representative office...*”, while another executive said “...*we did not want to be located in the offices provided by ICEX because it was really expensive and useless...*”

Another practical example regarding these contradictions shows: “...*through these organisations we have established preliminary contacts with customers, and they provided support offering to be present at meetings to advise us...*”, while another executive stated that “...*the public support has a lack of both knowledge on the different sectors and a proactive attitude to seek solutions to specific problems (e.g. regulatory changes)...*”.

Both examples reveal that there is also a clear problem of miscommunication between the public institutions and the companies. This lack of communication highlights the need for institutions to introduce a follow-up process and a roadmap in order to update the companies regarding the constant changes in China, which would help the companies to design better strategies and therefore increase the presence in the country. In addition, the findings on this topic have shown that this could be an indication for the institutions to engage in more active awareness campaign methods (Oparaocha and Ricardo, 2011).

3.7. Conclusions.

The internationalization of firms contributes to the robustness of the economy and thus creates employment in society (Lu and Beamish, 2001). This idea is supported by Bosma and Levie 2009, who state that those firms which are able to gain the resources required for carrying the internationalization process will have a significant impact on the economy as the internationalization generates innovation and economic growth. Therefore, it should be in the scope of governments and policy makers to promote a feasible institutional support for the companies in order to guarantee international competitiveness which in the end will have an impact on local economy.

For this reason, this study has tried to contribute to a better understanding of the internationalization processes undertaken by companies in China through a multi-location approach, providing an insight into the dynamics of how firms interact and collaborate with PSS. In addition, we took a closer look at the influence of some of the actors, resources and abilities in the internationalization process developed by companies in China. It is important to consider as well that only a few studies have evaluated the ES effectiveness.

Nevertheless, reality shows that the information gathering and the lack of experience in the Chinese market, together with a lack of competences may decrease the awareness of the companies, thus leading to their withdrawal from China. This fact generates a negative effect on the way governmental institutions are perceived in the multi-location process as it is possible to observe in figure 3.4, where the external support has the lowest impact on the multi-location carried by the companies in China.

We hope that this paper will encourage other scholars to pursue additional research in this area. However, the research described here has limitations which need to be considered beforehand. In the first place, our geographical environment is limited to companies in Spain. This causes a predisposition because most of these companies belong to traditional industrial sectors. Secondly, the variables which are presented in this study to analyse the PSS influence in the multi-location process may not be complete. These limitations represent an opportunity for future researches to enhance the findings of this study. Future studies should consider carrying a quantitative check of the main findings on the basis of a larger and more geographically diverse sample of Spanish firms. Potential studies should also pay attention to economic structure and industrial organizations (clusters), because these factors may contribute to the acceleration of a foreign market entry. Finally, the list of variables should be enlarged in order to cover other relevant aspects of this process.

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CAPÍTULO 4

THE IMPACT OF INDUSTRIAL CLUSTER ON MULTI- LOCATION'S PERFORMANCE: THE CASE IN CHINA

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THE IMPACT OF INDUSTRIAL CLUSTERS ON MULTI-LOCATION'S PERFORMANCE: THE CASE IN CHINA

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THE IMPACT OF INDUSTRIAL CLUSTERS ON MULTI-LOCATION'S PERFORMANCE: THE CASE IN CHINA

Abstract: Even though an intuitive understanding about the increasing significance of the academic discussion on clusters already exists, there is a considerable lack of empirical support of its precise magnitude when addressing International Business (IB) literature. This paper is focused on the factors concerning the location factor of multinational enterprises (MNEs), and how clusters can be the vehicle of advantage in the internationalization and offshoring processes. In this regard, we have conducted an empirical study using a mixed-method approach which combines an extensive qualitative and quantitative analysis of 31 Spanish companies in China. Overall, this paper intends to provide a holistic reasoning to understand why MNEs multi-locate in clusters, thus clarifying the potential of co-location. Finally, some policy-maker implications are identified and presented through the case study.

Key words: International Business, Economic Geography, Co-location, Internationalization, Industrial Clusters, China.

4.1. Introduction.

The current trend in the global environment brings attention to an increasing presence of Multinational Enterprises (MNEs), especially in those companies that have decided to start directly in growing markets without considering the geographical and cultural distance (Rialp et al., 2005). It has also been tested and established that these companies normally decide to be located in areas densely populated such as industrial clusters, in order to allow entrepreneurs to gain the knowledge necessary for success (Sorenson, 2003). In this sense, the effective development and transfer of knowledge is one of the main factors for the survival of MNEs with multi-located subsidiaries in different geographic areas (Gupta and Govindarajan, 2000; Doz et al., 2001; Bandick, 2010).

The International Management (IM) research and International Business (IB) literature have recognized the value of knowledge for creating a competitive advantage (Grant, 1996; Kedia et al., 2012). To gain this knowledge, companies need to focus their efforts not only on the internal development but also on the acquisition of external knowledge (Nahapiet and Ghoshal, 1998). At the same time, the Economic Geography (EG) studies have highlighted the fact that the knowledge exchange occurs in clusters and affects companies' performance that are located there. In this work industrial clusters are understood under the definition presented by Porter (2000): "*A cluster is a geographically proximate group of interconnected companies and associated institutions in a specific field based on commonalities and complementarities*".

The importance of multi-location for the firm's performance is increasing (Coucke and Sleuwaegen, 2008; Puig and Marques, 2010) as a result of two factors. On the one hand, companies are operating in a big and very confusing network of relationships composed by different stakeholders (customers, suppliers, institutions, competitors, etc.). Many of those stakeholders are located in their immediate local environment, forming clusters of companies with similar activities or knowledge. On the other hand, these relationships can provide a wide range of knowledge, resources and information, which facilitate access to new technologies and markets. For these reasons, understanding the process of multi-location in clusters by MNEs is critical, since it affects the performance of both home and host parts of the MNEs.

Even though the approach of previous research on the "localization effect" can be attributed to the first studies of Alfred Marshall, the development in literature has been exponential since 1890 and has had various approaches (Michael Porter's findings are a basic reference in the management perspective). Ironically, in the current era of globalization interest still remains high (Phelps, 2008). This is due to the fact that location and clusters are crucial aspects to be

considered in the process and performance of the MNEs (Tan and Meyer, 2011). Some “common” reasons that would explain the importance of clusters in international business are the ones that clusters entail a “hybrid” or intermediate organizational form, which could minimize the problems derived from size and control (Mudambi, 2008). Another reason is that co-locating (or co-locating into a cluster) with other firms which belongs to the same industry, helps the investing firms to gain access to local industry-specific knowledge and specialized industry-related resources (Perri et al., 2012). In other words, in a highly competitive environment like the one we have today, the agglomerations of MNEs can also provide an important source of competitive advantage which is only available in this area and which can reduce the handicap from being abroad (the liabilities of foreignness). However, the problems that some companies have experienced, as well as the large number of failures documented highlight the existence of a certain degree of firm’s heterogeneity in the participation and the use of such location advantages, making clear that this topic requires more attention and research (Rodríguez-Pose and Comptour, 2012).

Following McCann and Mudambi (2004), the intersection between IB and IM literature with EG could provide a cross-fertilization which potentially creates a more comprehensive framework to address foreign direct investments (FDI) and co-location in clusters in tandem. Therefore, it is showed that an integration of the EG and the IB literature will contribute to the understanding of the multi-location process undertaken by MNEs, avoiding the excessive focus on considering solely the nation as proper unit of analysis in the multi-location process by showing a rather distinct “regional” approach, as Dunning (2009) claims. According to this and to the existence of firm’s heterogeneity regarding multi-location on both behaviour and outcome (Rodríguez-Pose and Comptour, 2012), the research gap is based on the fact that *the organizational decisions are not yet connected with the location decisions*. Consequently, the ambition of this paper is to make the role of industrial clusters for companies explicit, in order to clarify the fit between the activities off-shored and the clusters’ external resources available. It will be attempted to cover the research gap through an exploratory case study together with a theory consideration. Finally, the arguments that are developed along this work are tested in the context of managerial decision-making.

This article is organized as follows. In Section 2, a theoretical framework of location and clusters literature is provided, focusing on the nature of both streams of the literature. This is followed by Section 3, which presents an empirical study addressing the location chosen by Spanish firms when entering China. Finally, in the last two sections implications and conclusions are presented.

4.2. Theoretical framework.

4.2.1. The nature of industrial clusters.

Since its earliest beginning, the development of cluster literature has influenced and shaped the cluster concept (Cruz and Teixeira, 2007). However, the perception of clusters has a broad variety of concepts and definitions as a consequence of several perspectives in literature (Martin and Sunley, 2003). These perspectives in literature have emerged as a result of different points of view, depending on the particular context in which the cluster theory has been developed. Summarizing this wide variety, it is possible to classify the dimensions and linkages types in two different approaches.

In the first approach, Porter (1990) categorizes the clusters in two dimensions of cluster, a vertical and a horizontal one, which involves different advantages for companies in the cluster (Malmberg and Maskell, 2002; Bathelt et al., 2004). The horizontal dimension entails those firms which are producing similar products and are competing with each other. These firms do not present a close cooperation or contact to one another since they present similar know-hows and are targeting the same customers. The proximity in this dimension provides advantages based on continuous monitoring and comparing of the firms' economic performance, which enables all the firms in the area to have the same production conditions. The vertical cluster dimension refers to those companies with complementary products which could benefit from a network of supplier and customer relations. In this dimension the suppliers are able to gain economies of scale and have low production costs, which trigger the development of transactions and linkages within the cluster.

In the second approach, McCann et al. (2002) stated that it would be possible to outline the cluster concept in three main relevant dimensions. The first dimension is geographical proximity among the cluster's firms (Swann and Prevezer, 1996), which generates agglomeration economies (skills and scale) through an internal labour market pool. The second dimension is associated with social networks, which are based on trust or loyalty and are usually formed as a result of a historic process. This dimension leads to the formation of various types of proximities (share of common technologies, labour, infrastructures), and to the knowledge exchange and collective learning (Asheim and Coenen 2005; Rosenfeld, 2005). The third and last dimension refers to cultural aspects and the business environment, which allows the evolution of the cluster itself through the development of new ventures (Rosenfeld, 2005).

4.2.2. Knowledge: the main asset within industrial clusters.

Previous studies in the EG field has established that the value add of clusters laid on an increment of the competition among companies (Piore and Sabel, 1986). However, the current stream in the EG literature supports the concept of industrial clusters as an aggrupation of knowledge resulting from dynamic interdependencies among companies that are in the same area (Henry and Pinch, 2002). The knowledge-sharing between companies within the same area is a key aspect for success, fact that has lead the EG researches to develop knowledge-based theories of the industrial clusters (Maskell, 2001). Enterprises and suppliers within the same area are linked through trading goods, but they also share knowledge, which is an intangible asset available for all the stakeholders within the area (Kogut and Zander, 1992). According to Maskell (2001), the existence and success of industrial clusters is strongly linked to the advantages based on the level of knowledge generation. Once the knowledge generation is in place, new firms are attracted to be in the industrial cluster and consequently the area gains further enhancing and new knowledge (Keeble and Wilkinson, 1999).

Regarding the knowledge generation in clusters, Brown and Duguid (2001) state that scholars should not study the knowledge as two different types, tacit and explicit, since all knowledge is tacit to some extent. According to them, any knowledge is under the influence of the specific context and the tacit knowledge, which determines the knowledge volatility. In this line, the close collaboration between companies make it possible to gather the essential information to comprehend the usage of a new technology or move forwards with related innovations. Another approach regarding the typology of knowledge is presented by Tallman et al. (2004), who distinguishes between component and architectural knowledge. Component knowledge consists of a particular knowledge focused only on one section of an organizational system. This type of knowledge is able to move between firms, although the speed will depend on the size, the tacit component and the absorptive capacities among the companies. On the other hand, architectural knowledge corresponds to a highly experiential, tacit and deeply embedded knowledge, which might increase absorptive capacities for knowledge among companies (Tallman et al., 2004).

4.2.3 Location choice: factors that influence the decision.

As Porter (1990) states, the specific characteristic of the location determines the competitive advantages which a firm possesses. In this regard, even though the “location” of a firm is a well known research topic, it is still necessary to gain a deeper understanding regarding the location of manufacturing and service activities when addressing international business (Dunning, 2009; Rugman et al., 2011). The necessity of a broader understanding of this topic has been triggered

by continuous economic and political changes, which has led to reconsidering the meaning of knowledge-sharing among companies and the competitive advantage derived from location (Kogut, 2002). For this reason, over the past years there have been several studies which highlighted the existence of new opportunities for firms to offshore their activities, especially in those countries with low production cost (Farrell, 2005; Gereffi, 2006).

Whereas previous studies agreed that the primary advantage of offshoring activities is based on cost reduction, more recent authors point out that offshoring advantages are based on the combination of three related factors', disintegration, externalization, and location (Kedia and Mukherjee, 2009). On a more granular level, the location factor could be studied through the advantages of the specific country area, workforce and knowledge-sharing. In line with these considerations, Cantwell and Mudambi (2005) pointed out that MNEs are using their international position to create a competitive advantage out of the location factor, which might grow not only due to unique assets and knowledge, but also due to specific characteristics of the host location. An important aspect to be considered is that firms are influenced by the relative importance of these factors when making the location choice within the host country (Meyer et al., 2011).

The location-specific factors play an important role in the companies' roadmap, because in order to be able to benefit from the comparative advantages of locations, the companies might need to adjust their strategies (Mudambi, 2008). Furthermore, the specific characteristics in a particular country will determine the type of activities that will be established there. Those activities based on value creation normally are largely located in developed market economies, and on the other hand, those activities with a labour intensive are moving to emerging economies (Gereffi, 1999; Pedersen, 2006; Mudambi, 2008). Companies tend to establish external relationships when they face problems to have a profitable balance between the comparative advantages of locations and the company's strategy. In this sense, clustering related activities might be a possible strategy to achieve a profitable balance.

In this vein, we assume that agglomeration economies attract foreign firms, although not all industrial clusters attract MNEs to the same level (Majocchi and Presutti, 2009). Thus, we posit that the multi-location process is taking place, at least in part, due to the attractiveness observed in regions, rather than being a phenomenon only driven by the advantages of the host country. Put differently, we build our work upon the idea that the regional/cluster level plays an important role in the internationalization process conducted by MNEs and, for this reason, in order to capture those dynamics this paper integrates the two above mentioned strands of

literature (IB and EG), presenting an exploratory exercise based on questionnaires and interviews.

4.3. Empirical case.

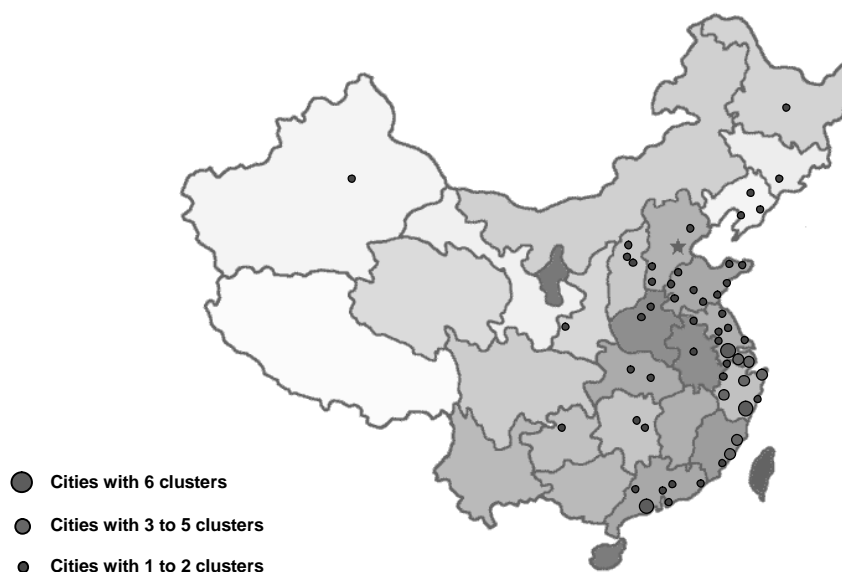
4.3.1. Clusters in China.

The clusters are a key element in China for succeeding in the international competition in manufacturing and for enhancing the competitiveness of their regions and the country. Although the industrial clusters in China have traditionally been known for centuries (needlework in Suzhou, rice paper in Anhui, etc.), the real development of the industrial clusters across the country has taken place during the last two decades (Yu et al., 2006). The clusters in China are the direct result of an opening-up policy and of higher levels of technology diffusion. After China joined the WTO, the government consciousness of Intellectual Property Rights (IPR) has enhanced remarkably. This fact has triggered on the one side a creation of obstacles for those companies with the intention to copy any product on the market, and on the other side, it has stimulated the sharing of technology accumulation among the companies.

The Chinese SME clusters, which are highly concentrated geographically, as well as within the industrial sector, have become an important icon of regional competitive advantage due to their primary role in the economy and industrial development. As it is possible to observe in figure 4.1, the clusters are mainly concentrated in the Pearl River Delta economic zone, the Yangtze River Delta economic zone and the Bohai Rim economic zone, corresponding with the high-development zones in the coastal part of China.

Although currently most of the clusters are located in the coastal provinces, new competitive clusters are starting to emerge in other parts of China. This is taking place especially in the less developed coastal cities and the central and western regions, due to an increase of the domestic demand in those regions and the infrastructure improvements (Fleisher et al, 2010). Most of these new clusters, despite being categorized as “low cost” clusters due to the lower production costs they offer, are very attractive to those companies which have an intensive-labour production process. The drawback of these “low-cost” clusters is that, although firms work in a similar sector, they hardly ever communicate or share information with other companies. As a result of the lack of trust and collaboration, this kind of clusters do not gain great advantage or create innovation to promote the regional economy (He, 2003).

Figure 4.1: Location of the main clusters in China.



Source: Li & Fung Research Center and Authors.

4.3.2. Sectors in regional clusters.

Those industrial clusters located in the coastal areas contain a broad variety of products while those located in the inland regions are more focused on products processed from natural raw materials or resources available in their corresponding regions. The largest industrial clusters in China (table 4.1) are mostly engaging in manufacturing. However, more high value-added industrial clusters are gaining competence since the total production costs are increasing in China.

Table 4.1: Sectors of the main clusters in China.

Province	City	Sectors
Guangdong	Zhongshan	Machinery and electronics, packaging, lighting, casual wear
Fujian	Quanzhou	Trainers, zipper, plumbing hardware, snacks
Zhejiang	Wenzhou	Lighter, locks, medium and low voltage electrical appliances, valves, plastic woven packaging
Zhejiang	Ningbo	Mold, household electronic appliances, stationery
Zhejiang	Shaoxing	Textile, dyeing, socks, pearls, ties
Jiangsu	Wuxi	Electric wires and cables, environmental protection equipment, purple clay tea ware, electric car, electronics, photovoltaic

Source: Li & Fung Research Center and Authors.

It is important to remember that the total production costs are not only composed by the labour component, but also by the cost of logistics, compliance with governmental regulation or financing. In China, these costs still remain high because of an inefficient logistic system, underdeveloped transport in the inland areas, lack of skilled labour, etc (Cui and Liu, 2000).

4.3.3. Research methods and data.

The empirical case presented here is based on the relationship between Spanish MNEs and the industrial clusters in China. The samples were selected as to be appropriate to highlight and establish links between themselves, thus being able to build up consistent theories. Based on that, the research has been conducted using mixed methods (Creswell and Plano Clark, 2011). In this type of research elements and techniques of qualitative and quantitative methodology are combined (Johnson et al., 2007). The objective of the quantitative methodology was to find and establish patterns between the responses of the companies and the current economic literature. Through the qualitative methodology it was intended to have a better interpretation of those findings (Marsch-Piekkari and Welch, 2004), and to answer possible contradictions.

4.3.3.1 Data collection and analysis.

A primary and a secondary source were used to gather all the necessary information. The primary sources consisted in the interviews and the web-based survey designed and conducted by the authors in 2012 in two stages. The first stage of data collection was conducted using a web questionnaire which 31 companies were invited to complete. An e-mail was sent out to all the companies with a link to the web-survey and an explanation of the survey's purpose. With the intention of increasing the participation rate, a second e-mail was sent as a reminder two weeks before the deadline. In order to facilitate the answers to the interviewees and to capture their responses in a proper way, a 5-point Likert scale was used, on which five denotes complete agreement and one complete disagreement. For its preparation the recommendations listed in Manfreda et al. (2002) were considered: graphic layout, presentation of questions, and the number of questions per page.

The objective of the second phase was to clarify and have a better interpretation of the previous findings through a qualitative analysis (Marsch-Piekkari and Welch, 2004). Therefore, a new questionnaire was designed for this purpose and two companies were invited to participate in a structured interview to dig deeper qualitatively into the nuances of the insights obtained in the questionnaires. This new questionnaire included only open questions, which allowed the managers to delve into other issues that they believed had been fundamental in the

internationalization process in China (Oppenheim, 1992). Each interview was recorded using an audio record system and had an estimated duration of two hours.

The secondary source was used to collect more information from the companies in order to complete the results obtained with the primary source. This source was composed by the database of both *Sistema de Análisis de Balance Ibéricos* (SABI) and the *Instituto Español de Comercio Exterior* (ICEX). In order to study associations between the variables (qualitative) which are presented in the next section, the analysis techniques used were the contingency tables and the statistics tables of double entry which describe a population (or sample) from simultaneous analysis of two attributes or factors. The Chi-square statistic tests the null hypothesis of independence between the variables. Therefore, for p-values less than 0.05 (95% level) the hypothesis is rejected and consequently it is acknowledged that there is some association or dependence between variables.

In the case when there is an association between two variables, the level of the bivariate relationship can be measured by calculating the measures of association. According to Sanchez (1996) and Perez (2001), when the association analysis is done on 2x3 or more variables tables, the statistic V of Crammer is used. If the statistical value is very close to 0, it is interpreted as no association. On the other hand, if the statistical value is close to 1, the ratio between the variables is very high.

4.3.3.2. Firms profile.

Although the sample was not restricted to any particular industry, it had to meet two main criteria. Firstly, the companies had to be Spanish, and secondly they had to be located in China. Taking into account all the previous information, our target group was composed by 217 firms. In the end, a total of 31 companies had participated and the final ratio between companies approached and replies received was 14.1 per cent, which leaves 85.9 per cent of non-responses to be explained. The main reason behind this low ratio is the nature of the respondents, which were CEOs (42 %) and directors or members of the management board (58 %).

The following table (4.2) presents the distribution of the thirty one companies interviewed with regards to the entry mode used in China, the industry that they belong to and the number of employees they have.

Table 4.2: Descriptive analysis.

	Percentage %	Number of companies
Entry Mode Choice		
WOFE ⁴	71 %	22
Joint-Venture ⁵	16 %	5
Representative office ⁶	13 %	4
Industry		
Primary industry	22.5 %	7
Manufacturing	45.2 %	14
Logistics	9.6 %	3
Wholesales	16.2 %	5
Financial Services	6.5 %	2
Number of employees		
< 10	6.5 %	2
10-50	25.8 %	8
50-250	41.9 %	13
> 250	25.8 %	8

Source: Authors.

4.3.4. Empirical study.

After all the necessary information was collected from the companies, the conversations were transcribed and the data was processed. From the evidence that only 58% of the interviewed companies co-located their subsidiaries in China, the exploratory analysis aimed to evaluate the associations and relationships (dependence and independence) between the location and activity of the company. In order to do so and given the fact that these are qualitative factors, it was decided to employ the statistical technique of cross tables, which analyse the characteristics of the co-location (cluster, entry mode and outlook) and the business activity.

Table 4.3: Cross tabulation co-location / business activity.

Cluster	Business activity		
	Production - Manufacturing	Trading - Services	Both (Production - Trading)
Cluster Yes	1.7*	-3.0**	1.5
Cluster No	-1.7*	3.0**	-1.5

**p<0.05 *p<0.1; Cramer's V 0.539, sig 0.011

⁴ WOFE: Wholly Owned Foreign Enterprise is a common investment strategy for China whereby a Chinese investor is not required.

⁵ Joint-Venture: An agreement in which different parties agree to develop for a certain period of time, a new entity and new assets.

⁶ Representative office: office established by a company in a foreign country to carry out non-transactional operations.

Entry Mode Choice			
WOFE	0.0	-1.2	1.2
Joint-Venture	1.0	-0.9	0.1
Representative office	-1.2	2.7**	-1.7*
**p<0.05 *p<0.1; Cramer's V 0.359, sig 0.092			
Outlook			
Reduce business	2.7**	-1.2	-1.2
Maintain business	1.4	0.5	-1.7*
Increase business	-2.9**	0.3	2.2**
**p<0.05 *p<0.1; Cramer's V 0.434, sig 0.02			

Source: Authors.

The interpretation of this table can be done at two levels: a) it can be examined whether there is a dependency between the model variables and b) if yes, the strength of this dependence can be measured. For the first case (as it was explained in the methodology) the significance of each crossing will be used, while for the second case the reading of the adjusted residuals of each cell will determine the dependence.

At a more detailed level, it is possible to analyze the information in each cell. The first cell shows the association between business activity (production) and whether the company is co-located (cluster Yes). The result is measured by adjusted residuals (1.7) and indicates that both variables are associated, which can be interpreted as a proof that manufacturing firms have their subsidiaries located in clusters. Note that in the case when there is an association between the two variables (which is the case here), the power of this bivariate relationship can be measured by calculating the measures of statistical association through Crammer's V.

According to the value of the remaining adjusted residuals of every cell, different conclusions based on a zero, half and significant dependence can be established. In the first group, most of the cells have the association between the Trading Activity with the Company Outlook.

In the second group (in bold), are those cells which collect adjusted residuals that have half dependence, but which need to be considered since they indicate trends. In this regard, the following cells can be mentioned: Joint-Venture/ Production (1.0); WOFE/ Both (1.2) and Maintain business/ Production (1.4). The first trend shows that due to the fact that manufacturing companies need to interact and negotiate with different local suppliers, the help of a local partner could increase the company's performance. The trend of "WOFE/ Both" evidence that this entry mode is more attractive for those companies that have an important commitment of resources (facilities, trainings, etc.) since it allows to keep and steer the

company's operations. Finally, the trend "Maintain business/ Production" leads to the assumption that producing in China is still worthy although the margin could be very narrow.

In the third group we have those cells which gather strong associations. In this sense, the inverse association between "Trading/ Cluster No" (3.0) and the positive association between "Production/ Cluster Yes" (1.7) should be highlighted. The reasons which can explain these associations are related with the fact that companies which are producing in China have a strong dependence on suppliers and the infrastructure which is only available in certain areas (e.g. Clusters). Trading companies have more freedom in these issues. Regarding the "Entry mode", there is a positive association between "Trading/ Representative Office" (2.7). This is due to the fact that trading does not need a close collaboration with a local partner, and consequently this allows the companies to reduce their exposure to some infringement coming from a possible Chinese partner. Finally, the inverse association between "Reduce Business/ Production" (2.7) and the positive association between "Increase business/ Both" (2.2) is striking. These associations make it clear that China is no longer just the world's production centre but that it also represents an important market to be present in.

4.4. Discussion of results.

As main findings for policy-makers and company managers, it can be asserted that the location choice has a big impact on the multi-location's performance in China (Tan and Meyer, 2011). This statement is in line with Porter (1990), since as the case study has pointed out, the competitive advantages which the companies have (in China in this particular case) are given by the specific characteristic of the regional location rather than just the country's or nation's location. Moreover, the results (Table 4.3) together with Rugman et al.'s (2011) findings show that the resources available in the host country (China) and the subsidiaries' internal resources moderate the SMEs integration depending on each value chain activity. The following quote from one manager located in China summarizes this finding:

"...all companies competing in the upper-medium segment have to be in the cluster since suppliers, logistics and skilled labour needed are there. In order to co-locate outside the cluster, we need to focus on low-quality segments, and currently in China this is the hardest market..."

The results also suggest that in order to obtain access to the cluster resources, the companies need to activate the knowledge-sharing in clusters (Kogut and Zander, 1992) through being

integrated and inserted in the local network, known as guanxi⁷. In China it is essential to have networks in place which can facilitate the flow of information through formal and informal channels. These networks are normally built between clients, suppliers and other related industries located in the area of influence (Porter, 1990; Keeble and Wilkinson, 1999). This fact was also captured during another interview with one of the managers in China:

“...due to the fact that we have a local partner, we are able to obtain a fair prices and the possibility of doing business with a new customers...”

However, it might also be possible that firms are required to adjust their strategy (Mudambi, 2008) to be able to access the clusters' advantages. This is due to the fact that the Chinese economy is under an incessant transformation, and what in the past was a clear emergent economy today is becoming a great power. For that reason, the local government is demanding more activities based on value creation and less labour intensive ones (Gereffi, 1999; Pedersen, 2006; Mudambi, 2008). This shift in the Chinese government strategy is reflected in more strict regulations for companies which want to access the benefits available in the industrial clusters:

“...the Chinese government require us to have 10 new patents per year in order to access to the benefits provided in our industrial cluster...”

As a general understanding of the process, once the types of clusters and the advantages they may represent are evaluated in each territory, it is necessary to analyse the fit between the off-shored business activities and the attributes of the different clusters chosen to co-locate. However, it has to be considered that sometimes the heterogeneous firms also face adverse selection (Shaver and Flyer, 2000). This means that MNEs co-location may suffer from knowledge leak out to their competitors and the general idea that agglomerations benefit local firms may be misleading in certain circumstances. In conclusion, it can be state that in addition to the off-shoring process, in order to achieve a good performance in the holistic process it is necessary to conduct co-location (in clusters), which eventually turns out as multi-co-location, as Hervas-Oliver (2012) has stated.

4.5. Conclusions.

The present paper contributes to the literature on International Management analysing the reasons why multinational enterprises co-locate in clusters, as well as the competitive

⁷ Guanxi: describes the basic dynamic in personalized networks of influence in China.

advantages that the aforementioned companies could acquire within these clusters. In this framework, the paper has presented a case study which helped to determine whether the decision on the area of co-location is related to specific assets of the host area and the externalities in the local business environment or whether it is the desire of being closer to customers that drives the firm to select a particular area. As a result of the empirical study conducted through a mixed-method approach, we have illustrated that the impact of industrial clusters on multi-location's performance is moderated by the host country and the subsidiaries' internal resources, the embeddedness in the local network, and the match between the company's strategy and the host country outlook. All in all, the analysis has revealed that, beyond the country or nation unit, the regional/cluster geographical dimension is of utmost importance, contributing to the emerging debate on integrating IB and EG strands (Dunning, 2009).

This paper also reveals a number of important implications for scholars. The study emphasizes the importance of having an overarching comprehension of the role of industrial clusters for companies, in order to identify which of the activities off-shored fit with the clusters external resources available. Moreover, the case study presented proves that the internationalization process in distant and uncertain markets requires a proper preparation in order to adjust and respond to market requirements. In addition, this paper also presents implications for managers in MNEs by combining theory and methodology to enable an enhancement along the multi-location process in clusters. In order to moderate the effects of entrepreneurial overconfidence both aspects, internal strengths (knowledge, resources, etc) and external circumstances (infrastructure, government behaviour, etc), need to be objectively analyzed and evaluated.

Like other researches of these characteristics, there are some limitations that should be considered in future studies. First, the most relevant one is that only Spanish companies were taken as a sample. It would be very illuminating to carry this study in other countries which have companies in China. Second, only one person per company was interviewed, although the decisions and actions during the process relied on more than one person. For that reason, future studies should consider to include more participants from the same company in order to gain additional consistency. And finally, the variables that are presented in this study for analyzing the process of co-location in clusters may not be complete. Potential studies should enlarge the list of variables to cover other influential aspects in this process.

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Appendix 4.1: Correlation matrix.

Variables	Mean	Variance	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1 Concentration of companies	3.258	2.127	1														
2 Specialized suppliers	3.097	1.636	0.626**	1													
3 Access to customers	3.774	1.207	0.097	0.016	1												
4 Skilled labour	2.839	1.168	0.190	0.151	0.105	1											
5 Logistics quality	3.839	0.651	0.063	0.171	-0.114	0.340	1										
6 Natural sources	1.871	1.080	0.192	0.276	-0.167	0.125	0.283	1									
7 Existence of institutions	1.645	0.745	-0.030	-0.057	0.256	0.146	0.288	0.201	1								
8 Information exchange	2.484	1.217	-0.038	-0.333	0.197	0.147	0.160	-0.086	0.553**	1							
9 Auxiliary industry	3.710	0.980	0.409*	0.226	0.118	0.228	0.264	-0.225	0.144	0.188	1						
10 Market access	3.903	0.926	0.041	0.112	0.223	0.078	0.354	-0.238	0.230	0.196	0.681**	1					
11 Good reputation	3.387	1.334	-0.213	-0.025	0.399*	-0.053	0.275	-0.281	0.364*	0.486**	0.296	0.498**	1				
12 Low production costs	1.645	0.874	-0.004	-0.052	-0.141	0.199	-0.290	0.384*	-0.276	-0.459**	-0.390*	-0.612**	-0.620**	1			
13 Low logistics costs	2.419	0.953	0.105	0.200	-0.152	0.095	0.209	0.180	0.100	-0.099	0.193	0.215	-0.087	0.128	1		
14 Raw material for production	2.194	1.511	0.332	0.378*	-0.159	0.194	0.259	0.777**	0.156	-0.069	-0.060	-0.066	-0.257	0.256	0.201	1	
15 Institution's efficiency	3.032	0.676	0.020	-0.156	0.258	0.006	0.056	0.194	0.516**	0.303	0.091	0.126	0.259	-0.069	-0.258	0.153	1
16 Knowledge transference	2.710	1.303	-0.052	0.152	0.076	0.093	0.299	0.023	0.550**	0.445*	0.182	0.327	0.648**	-0.459**	0.051	0.017	0.285

** Significance level 1% (two tailed)
* Significance level 5% (two tailed)

Source: Authors.

Appendix 4.2: Interview findings regarding set of questions.

<p>Main advantages to be located in a cluster in China</p>	<ul style="list-style-type: none"> § The main clusters have a contact point to support the companies that want to be establish there § Close to the main customers, what allows the companies to adjust the production on the daily basis § Broad range of suppliers, § Large skilled labour pool § The logistic service is very developed
<p>Main disadvantages to be located in a cluster in China</p>	<ul style="list-style-type: none"> § Since the main clusters are very mature, for the new and small companies turns out difficult to be competitive there. § Cultural differences § There is a high exposure to be copied by the competitors § The regulations change often to favour the local companies
<p>Current situation in the cluster</p>	<ul style="list-style-type: none"> § The market is slowing down due to the financial crises § A protectionism of Chinese companies is rapidly increasing § Big manufacturing companies are leaving China, what is causing the shrinking of some clusters and the increase of the logistic cost for those that want to remain there.
<p>Output of the experience in China</p>	<ul style="list-style-type: none"> § Although the location in a cluster is not the first option for the companies, in most of the cases they select it due to everything needed can be found there (customer, suppliers, labour, etc). In addition, it is necessary to fulfil the client expectations regarding price and delivering time. § As a consequence of the instability in the Chinese market (regulations, Intellectual Property, etc), for foreigner companies is very difficult to be competitive and sell in this market. § The investment return always takes more time than it was planned, especially in mature products/ segments
<p>Outlook</p>	<ul style="list-style-type: none"> § The labour and energy costs are rapidly increasing, making less attractive for those companies focus on manufacturing activities. Indonesia and Vietnam are the countries where those companies are going nowadays § The turnover in the companies has dropped down due to the increasing offer of labour and the slow down of companies arriving to China § China is specializing in develop products and value add activities instead of mass production activities. Generate and retain knowledge is the main priority for the government.

Source: Authors.

CAPÍTULO 5

CONCLUSIONES, LIMITACIONES Y FUTURAS INVESTIGACIONES

CONCLUSIONES, LIMITACIONES Y FUTURAS INVESTIGACIONES

Existen numerosos autores y estudios que presentan resultados desde diferentes ángulos sobre la internacionalización en China. Sin embargo, estos trabajos abordan el análisis de partes específicas del proceso global, lo que provoca que el empresario no tenga una visión completa de dicho proceso que le permita tomar decisiones a largo plazo. Con el objetivo de dilucidar esta falta de visión sobre todo el proceso de multilocalización en China, se realizó una amplia revisión de la principal literatura que aborda dicha cuestión. A partir de esta revisión surgieron una serie de factores que afectan a la disposición de realizar un cambio estratégico por parte de la empresa. Por ello, el principal objetivo de este trabajo ha consistido en determinar si estos factores actuaban inhibiendo o facilitando la reacción de la empresa frente al nuevo mercado chino.

Remarcar que tanto la muestra del estudio cualitativo como la muestra del estudio cuantitativo, han cumplido con los criterios mínimos de muestreo establecidos. Por lo tanto se asegura que ambas son representativas y las implicaciones del estudio se pueden extrapolar a toda la población objeto de estudio.

Conclusiones del trabajo.

Como conclusión general, se observa que el proceso de multilocalización en China está influenciado por factores internos de la empresa (tamaño, gestión y dirección, estrategia, etc.), y que estos factores afectan a las decisiones directivas respecto a la localización en clústeres. Bien es cierto que esta es una conclusión genérica y por tanto requiere de ciertas aclaraciones, las cuales se van a exponer en el orden de las hipótesis planteadas a lo largo de la tesis.

La relación entre los factores intangibles de las PYMEs con las decisiones y el modo de multilocalización en China, se han contrastado y validado en la primera, segunda y tercera hipótesis. Los resultados obtenidos indican que las compañías que presentan un perfil más proactivo frente a la complejidad de la internacionalización, han conseguido adaptarse mejor a las cambiantes condiciones del mercado chino.

Esos resultados también apuntan a que, estrategias de bajo compromiso como las exportaciones, son cada vez menos rentables debido al aumento de costes de transporte y producción. Además, para aquellas empresas con perspectivas de crecer en un segmento

medio bajo del mercado Chino, las zonas del interior presentan unas características óptimas de bajo coste y mercado creciente.

Los resultados del capítulo 3 sugieren las siguientes consideraciones. Por un lado, que el apoyo gubernamental no tiene un gran impacto en el proceso de la multilocalización en China, lo que puede ser debido al alto nivel de incertidumbre de China (Musteen et al., 2010). Además, los resultados también resaltan que el servicio de apoyo está mejor valorado en las grandes empresas (O'Farrell et al, 1993; Robson y Bennett, 2000; Jianzhong y Hong, 2009), las cuales tienen un alto nivel de compromiso y llevan más tiempo multilocalizadas en China. Por otro lado, del análisis de los datos se deduce que las empresas buscan el apoyo externo en función de sus propias debilidades (financiera, conocimiento, etc). Por último, se ha corroborado que las instituciones públicas deben hacer un mayor esfuerzo en informar a los empresarios de sus servicios (Oparaocha y Ricardo, 2011), ya que actualmente las empresas desconocen en profundidad lo que cabe esperar de estas instituciones.

En referencia a los resultados del capítulo 4, estos apuntan a que una vez establecidos los tipos de clústeres y las ventajas que pueden representar en cada territorio, es necesario analizar el grado de complicidad entre las actividades comerciales multilocalizadas y las características de los clústeres elegidos para su co-localización. Sin embargo, ha de tenerse en cuenta que algunas veces las empresas heterogéneas también se enfrentan a la selección adversa (Shaver y Flyer, 2000). Esto significa que la co-localización de las empresas multinacionales conlleva filtraciones de su conocimiento interno a sus competidores locales, lo que puede beneficiar a la competencia e inducir a problemas en ciertas circunstancias.

El análisis exploratorio tendente a validar el proceso de internacionalización en China, apunta a que además del proceso de multilocalización, es necesario llevar a cabo la co-localización (en clústeres) para lograr un buen resultado en el proceso global, lo que tendrá como resultado final la multi-co-localización (Hervas-Oliver, 2012).

Los resultados del estudio pueden ser utilizados como referencia para profundizar en dos de los aspectos que despiertan más interés en la literatura de multilocalización: los clústeres y la estrategia seguida en la multilocalización en una economía emergente. En relación a los clusters, porque la aparición de nuevos competidores en los mercados locales requiere que políticos, administraciones públicas, directivos e investigadores mejoren la efectividad y rendimiento del proceso de multilocalización en mercados emergentes como China, a modo de respuesta para equilibrar la situación. En relación al diseño de estrategias, como ya se ha puesto de manifiesto, los 3 factores estudiados (internos, externos y localizacionales)

contribuyen a una mejor toma de decisiones y desarrollo de estrategias en el proceso de multilocalización en China.

Implicaciones teóricas y prácticas.

Este documento también revela una serie de implicaciones importantes tanto para el ámbito académico y teórico como para el práctico. En lo referente a las implicaciones académicas, a lo largo de todo el trabajo se ha enfatizado sobre la importancia de tener una comprensión global de la interacción entre la literatura económica y geográfica con el negocio internacional. La comprensión de esta interacción resulta imprescindible para conformar un marco conceptual completo y complejo sobre la internacionalización en mercados lejanos e inciertos, con el fin de explotar en su totalidad los procesos operativos y las ventajas a las que la empresa tiene acceso en el nuevo mercado.

En lo referente a las implicaciones de interés para los directivos de las empresas multinacionales, la combinación de la teoría y las investigaciones cualitativas y cuantitativas llevadas a cabo, han permitido esclarecer y aportar mejoras para el proceso de multilocalización en China. Una de estas implicaciones está relacionada con el ajuste de los efectos negativos de una excesiva confianza empresarial tanto en los puntos internos (conocimientos, recursos, etc), como en las circunstancias externas (infraestructura, el comportamiento del gobierno, etc), para que el empresario los analice y evalúe objetivamente. Al mismo tiempo, la investigación alerta sobre la gran influencia del gobierno chino en industrias clave y el largo retorno de inversión que se están encontrando las empresas que se establecen en China

Limitaciones.

Al igual que otros estudios de estas características, existen ciertas limitaciones que han de ser consideradas para futuros trabajos en esta línea. Estas limitaciones afectan principalmente a tres ámbitos diferenciados que se presentan a continuación.

En primer lugar, la limitación más relevante ha sido la circunstancia de que solo han sido tomadas como muestra empresas españolas. Sería muy esclarecedor llevar a cabo este estudio en otros países (Italia, Portugal, etc) que tengan empresas en China. Además, debido a la escasez de datos impuesta por el bajo número de empresas españolas con filial en China, solo se ha podido utilizar una persona por empresa, si bien es cierto que las acciones y decisiones durante el proceso siempre recaen en más de una persona.

Una segunda limitación importante es que, salvo por un caso en el primer estudio, todas las empresas investigadas llevaron a cabo el proceso de multilocalización en China de forma satisfactoria. La posibilidad de realizar este mismo estudio pero con casos negativos o de fracaso, daría pie al establecimiento de medidas de control. Así, sería muy útil para entender si los fracasos vienen dados por la estrategia adoptada en las primeras fases, o por la ejecución del proceso de localización en China.

La tercera limitación de la investigación se encuentra en la identificación de decisiones y cambios a lo largo del tiempo. Al tratarse de una investigación retrospectiva, tiene que hacer frente a la problemática de que la respuesta de los entrevistados puede estar influenciada por la perspectiva temporal y su memoria en particular. Por lo tanto, sería muy recomendable observar la evolución del proceso de multilocalización en varios puntos de tiempo visitando la empresa personalmente, lo que limitaría en cierta manera la subjetividad de la muestra investigada.

Futuras investigaciones.

A tenor de las limitaciones expuestas, las futuras líneas de investigación deberían incluir unas muestras más amplias. Por un lado, una posible extensión de los países favorecería comprobar la consistencia de los resultados clasificándolos a su vez, según su etapa de desarrollo económico o tamaño poblacional. Y por otro lado, los futuros estudios también deberían considerar incluir más participantes de la misma empresa, lo que permitiría al estudio conseguir una mayor homogeneidad en los resultados.

Finalmente, las futuras investigaciones han de considerar que las variables que se han presentado durante todo el trabajo no abarcan todos los aspectos analizables y por lo tanto en cierta medida están incompletas. Por ello, estas potenciales investigaciones deberían extender la lista de variable para poder cubrir otros aspectos críticos del proceso de multilocalización en China.

ANEXOS

Anexo I. Cuestionario: estrategia de multilocalización en China.

<p>1. Protocolo de la entrevista</p> <p>§ El objetivo principal de esta investigación es analizar todos los factores que envuelven el proceso de multilocalización en China.</p> <p>§ Importante que el entrevistado tenga conocimientos del proceso de internacionalización en China.</p> <p>§ La entrevista será grabada para la posterior revisión de la información.</p> <p>§ División de la entrevista en dos partes:</p> <ul style="list-style-type: none"> ○ Envío de las preguntas para que los entrevistados tengan conocimientos del contenido de la entrevista. ○ Realización de la entrevista. <p>§ Archivos para completar información:</p> <ul style="list-style-type: none"> ○ Planes de negocio, memorias internas, histórico de ventas.
<p>2. Información del directivo</p> <p>§ Nombre</p> <p>§ Edad</p> <p>§ Sexo</p> <p>§ Formación</p> <p>§ Trayectoria laboral</p> <p>§ Opinión:</p> <ul style="list-style-type: none"> ○ Empleados, sueldo, comodidades, vida cotidiana
<p>3. Datos generales de la matriz y la filial</p> <p>§ Año de constitución:</p> <p>§ Sector de actividad:</p> <p>§ Facturación aproximada y evolución:</p> <p>§ Número de trabajadores aproximado y evolución:</p> <p>§ Localización</p> <p>Matriz:</p> <p>§ Porcentaje de exportaciones sobre ventas y evolución reciente (5 últimos años)</p> <p>§ Porcentaje de importaciones sobre compras y evolución reciente (5 últimos años)</p> <p>§ Posee otras filiales productivas en el exterior. ¿Dónde?</p> <p>Filial:</p> <p>§ ¿Por qué localizó a la filial china en esta región y no en otra?</p> <p>§ ¿Qué tipo de entrada utilizó para establecerse en China? (Joint Ventures, Fusiones, filiales, otras) ¿Por qué?</p> <p>§ ¿Qué porcentaje del total de la producción suponen los productos elaborados en China? ¿son semielaborados o terminados?</p> <p>§ ¿El producto elaborado en China es exportado o se centra en el propio mercado?</p> <p>§ ¿Qué puestos ocupan el personal expatriado?</p>

4. Motivos para irse a China

§ ¿Qué llevo a la empresa a multilocalizarse en China y no en otros países de economía emergente?

§ La organización:

Somos muy emprendedores: 1 2 3 4 5

Diversificación de productos: 1 2 3 4 5

1 nada de acuerdo → 5 muy de acuerdo

§ Mercado español:

Esta muy saturado:

Vender en China mejora mi imagen: 1 2 3 4 5

Fabricar en China mejora mi imagen: 1 2 3 4 5

Fabricar en China le da ventaja competitiva: 1 2 3 4 5

Me permite hacer economía de escalas: 1 2 3 4 5

1 nada de acuerdo → 5 muy de acuerdo

§ El entorno chino. Se localizó en China porque buscaba:

Mano de obra barata: 1 2 3 4 5

Acceso a nuevos mercados: 1 2 3 4 5

Aprovechar el potencial del mercado Chino: 1 2 3 4 5

Por petición de sus clientes: 1 2 3 4 5

1 nada de acuerdo → 5 muy de acuerdo

5. El proceso de localización en China

§ ¿En qué operaciones necesitó ayudas externas en su proceso de localización en China?

§ ¿Qué servicios ofrecen las instituciones públicas (resultan prácticas o no prácticas)?

§ ¿Qué tipo de financiación empleó para la expansión en China?

§ ¿Qué factores han resultado más críticos en el proceso?

§ ¿Cuáles han sido los principales obstáculos para el desarrollo de su actividad? ¿Siguen siéndolo actualmente?

6. Finalización de la entrevista

§ ¿Cuáles son las perspectivas futuras de la empresa en China?

§ ¿Cómo consideraría los resultados obtenidos hasta la fecha?

○ Nivel financiero

○ RRHH

§ Si tuviera que realizar otra vez el proceso de multilocalización en China, ¿lo haría de la misma manera o cambiaría la estrategia?

Anexo II. Cuestionario: Estudio cuantitativo de instituciones y multinacionales en China.

1. Información general

Nombre de la empresa:.....Año de creación.....
 Actividad principal de la empresa:.....
 Relación del encuestado con la empresa: Gerente propietario/ Directivo
 Nacionalidad:.....
 Número de empleados de la empresa en 2011 (aprox.)
 Tendencia número de empleados respecto a 2010:
 Aumentó Sin cambios Disminuyó

2. Información sobre la filial en China

Modo de entrada en China:
 Joint Venture Empresa 100% Extranjera (WOFE) Otro:.....
 Año de entrada en China:..... Número de empleados de la filial en China (aprox.):.....
 Tendencia en el número de empleados respecto a 2010:
 Aumentó Sin cambios Disminuyó
 Localización en China (Localidad y Región):.....
 Actividad principal de la filial en China:

Considerando que un cluster industrial es una concentración de empresas/ sectores comerciales relacionados entre si en una determinada localización, y que además cuenta con el soporte en la zona de un mayor número de proveedores, materias primas necesarias, trabajadores formados, etc

¿Considera que su filial en China está localizada un clúster industrial?: Si/ No
 ¿Cuál es la actividad principal de la región china donde se halla localizada su filial?:.....

Respecto al apoyo institucional recibido durante su proceso de localización en China:

¿Cuál fue la colaboración con organismos españoles (ICEX, IVEX)?:Ninguna/Algo/Bastante
 ¿En que fase/s contó con colaboración?: Previa/Implantación/Consolidación/Madurez/ Todas
 ¿Cuál es su grado de satisfacción con el apoyo institucional (ICEX, IVEX, etc.) recibido?:
 Bajo Medio Alto

3. Localización de la empresa en China

Valore la influencia que han tenido los siguientes factores en la elección de la región en la que se encuentra su empresa en China. Siendo 1 = ninguna influencia, 2= muy poca, 3=alguna, 4=bastante, 5=mucha influencia.

1. La existencia en esa región de una importante concentración de empresas de mi sector	1	2	3	4	5
2. La importante presencia que esa región tiene de proveedores especializados en mi sector	1	2	3	4	5
3. Lo fácil que desde esa localización puedo acceder a mis clientes chinos	1	2	3	4	5
4. La mano de obra de esa región es abundante y está especializada en mi sector	1	2	3	4	5
5. La cantidad y calidad de las infraestructuras de la zona es adecuada para	1	2	3	4	5

mi sector/ actividad					
6. La existencia de recursos naturales en la región necesarios para mi actividad	1	2	3	4	5
7. La existencia de organismos institucionales en la región (ICEX, IVEX, etc.)	1	2	3	4	5
8. El acceso al intercambio de información entre empresas de la zona sobre mi actividad (Ferias, etc.)	1	2	3	4	5

4. Efectos de la localización en China

Valore con carácter general su grado de conformidad respecto a las siguientes afirmaciones relacionadas con la comparación de la región donde Vd. se halla localizado en China y el resto del resto del territorio chino. Siendo 1 = nada de acuerdo, 2= muy poco, 3=algo, 4=bastante, 5=muy de acuerdo.

1. Mi región es de las que mejor están dotadas de una industria auxiliar y de apoyo a mi actividad	1	2	3	4	5
2. Mi región me proporciona un privilegiado acceso logístico a mis mercados de venta	1	2	3	4	5
3. Mi región da más reputación e imagen de marca que las otras regiones	1	2	3	4	5
4. Los costes de producción en esta región son más bajos que los de las otras regiones	1	2	3	4	5
5. Los costes de transporte de mercancías son menores que los de otras regiones	1	2	3	4	5
6. En la región dispongo de fundamentales recursos naturales necesarios para mi producción	1	2	3	4	5
7. Las instituciones locales son más eficaces que en otras regiones	1	2	3	4	5
8. En mi región hay una gran transferencia de conocimientos entre las empresas	1	2	3	4	5

Valore de 0 a 10 su satisfacción de localizarse China:.....

Valore de 0 a 10 su satisfacción en relación a la región china en la que está localizado:.....

¿La tendencia de su actividad futura en China?:

Aumentará Sin cambios Disminuirá

¿Desea recibir un informe ejecutivo sobre los resultados del estudio?: No/ Si (email):.....

Anexo III. Cuestionario: Estudio cualitativo de los clusters industriales en China.

<p>1. Protocolo de la entrevista</p> <p>§ El objetivo principal de esta investigación es analizar en profundidad los factores que envuelven la elección de la ubicación en China.</p> <p>§ Es importante que el entrevistado conozca el proceso de internacionalización en China.</p> <p>§ La entrevista tiene una duración estimada de 40 minutos y será grabada para la posterior revisión de la información.</p>
<p>2. Preguntas de la entrevista</p> <p>§ ¿Por qué se decidió multilocalizar parte de sus actividades en China y no en otro país?</p> <p>§ ¿Se empezó buscando aglomeraciones de empresas similares (clústeres) para establecer dichas actividades, o lo importante era solo estar localizado también en China? ¿Qué opciones se contemplaron?</p> <p>§ ¿Cuáles son las principales ventajas que le aporta a dicha estrategia el estar ubicado en un clúster industrial en China? ¿Considera que están limitadas por las empresas locales chinas?</p> <p>§ ¿Cuáles han sido los principales obstáculos que ha encontrado para poder establecer sus actividades en el clúster en China? ¿Siguen siéndolo?</p> <p>§ ¿Está satisfecho con el intercambio de recursos (información, proveedores, mano de obra, etc.) que se da entre las empresas de la región? ¿Por qué?</p> <p>§ Si tuviera que realizar otra vez ese proceso de multilocalización en China ¿se establecería en el clúster o no? ¿Por qué?</p> <p>§ ¿Cuál es su grado de satisfacción global del proyecto de implantarse en China? ¿Por qué?</p> <p>§ ¿Cuáles serían las 3-4 recomendaciones clave que daría a una empresa que estuviera interesada en multilocalizarse en China?</p>

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