

Exploring on ‘Go Global’ Barriers of Chinese Inner Mongolia Cashmere POEs

중국 내몽고 캐시미어 민영기업의 해외시장 진출 장벽에 관한 탐색적 연구

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ABSTRACT

This study explores the barrier factors of Chinese private-owned enterprises in overseas expansion in terms of corruption, political risk, market fluctuation, cultural difference, and firms resource endowments. To explore the existing practical backgrounds, it was investigated to private-owned enterprises dealing with foreign export companies where run business in Hohhot, Baotou and Ordos, Inner Mongolia, China. The result shows that the corruption and political risks of host countries do not have significant influence on business performance in ‘Go global’ strategy, while the market fluctuation of host countries has a negative effect on business performance. Cultural difference has a negative effect on business performance, and enterprises’ resource endowments have a positive effect on business performance in ‘Go global’ strategy. Additionally, interviewees provide several substantial suggestions regarding the government policy and industry ecosystem to surmount the barriers of POEs’ going global. Lastly, the authors discuss managerial implications and provide several suggestions for the future studies.

Key Words : Chinese Private-owned enterprises, Inner Mongolia, Go global strategy, Chinese Cashmere industry

I. Introduction

Effectively implementing Chinese ‘Go Global’ strategies to pursue business performance overseas is a critical strategic management issue for private-owned enterprises (hereafter, POEs). Since the ‘go global’ policy of the 1990s, previous studies on China’s outward foreign direct investment (hereafter, OFDI) has taken three main trends. Early studies tend to be descriptive of framework on governmental regulation and concern some geographical distribution (Wei, 2010). The subsequent studies focus on a driving force to push Chinese enterprises to go global business and their OFDI growth with the perspective of macro-economic levels (Cheung & Qian, 2009; Morck, Yeung, & Zhao, 2008), while more recent studies emphasize the local centered strategies and case studies to investigate the determinants and motivations of going global Chinese firms (Beugelsdijk, Slangen, Maseland, & Onrust, 2014 Buckley et al., 2007; Li & Kim, 2012; Park, 2014; Tan & Meyer, 2010). This study attempts to investigate exploratory determinants on barriers of going global in the perspective of POEs’ level. POEs may confront with some difficult local-situations to unravel in the process of decision-making. In recent years, the private-owned enterprises grow fast and take big roles as ‘Go global’ strategic players with the governmental support titled as western development policy in Inner Mongolia, China. However, their business performances toward going global were not yet showed with good indexes due to its spontaneity, blindness and other birth defects, and external premises. This study considers one behavioral phase of China’s go global strategies, that is, their locational obstacle determinants. Despite the efforts by others (Tan & Meyer, 2010; Wei, 2010; Wu, Hoon, & Yuzhu, 2011) that studied this topic as the business managerial aspects, results are debatable and necessary to further exploration to diverse industries. The scarcity of such studies may be due to the need to investigate field survey research. To fill this research gap, we attempt to approach as two aspects in qualitative and quantitative of Chinese POEs’ go global barriers by using an interview method and survey questionnaires of registered POEs in Inner Mongolia. Our dataset, which comprises the registration type of individual firms, allows us to divide their main business into export and foreign direct investment. In addition, by utilizing interviewed data, we narrow their field facing problems and were able to connect them with obstacle factors extracted from existing theoretical literatures. Our findings indicate that there is actually a need to modify and further upgrade the existing strategies

of overseas business management, particularly when POEs running business over host countries confront with troublesome barriers, we find that some determinants of going global barriers among private-owned Chinese enterprises are inconsistent with existing research. This study makes at least three contributions to the Chinese OFDI literature. First, it further supplements the basic understanding of POEs' OFDI, by exploring the barriers of going global business management. Second, it may firstly investigate Inner Mongolia cashmere industry which focuses on OFDI and provide further support for understanding of the growth of Chinese cashmere industry by demonstrating empirically how the features of going global barriers influence on overseas business performance. Our results have a managerial implication to Chinese cashmere industry intending to go global.

II. Literature Review and Hypotheses

This section consists of three parts with a brief explanation about Chinese go-global strategy and OFDI, literature review about POEs' go-global barriers, and hypotheses based upon existing research. In recent, Outward foreign direct investment from China has been expanded in a large scale throughout the world, which play some big roles as the source of inward foreign direct investment in most of host countries. Though the open door policy in the late 1970s lead to outward FDI, Deng Xiaoping's tour of South China in 1992, the 'Go global' strategy introduced in 1999, the integration of China with WTO accession, and the 2008 Beijing Olympics, which lead to boost in Chinese outward FDI (Clegg, Lin, Voss, Yen, & Shih, 2016; Kolstad & Wiig, 2012). China became the top developing country that attracted foreign investment since 1994, and was on record as the largest number of country with foreign direct investment volume in 2002. By the end of 2011, China was the third largest source of outward investment in the world (UNCTAD, 2014). According to the recent data in 2015, 186 countries received investment from China where 29,700 FDI enterprises invested from Chinese domestic investors were established (MOFCOM, 2015).

This study first clusters the barriers of Chinese POEs in host countries into five types of barriers. Based on the investigated types, the hypotheses are presented in two groups examining

(1) whether the observed variables extracted from interviewed results and previous literatures are suited to each common factor; (2) whether each extracted dimension positively relates to the POEs' performance. This study investigates the effect of corruption, political risk, market fluctuation, culture difference, and firms' resource endowments in the host countries as independent variables on business performance of POEs as a dependent variable.

1. Corruption in Host Country

Corruption in host countries might or might not be sensitive issues to an enterprises' going global strategies. Facing the corruption in host countries in going globally, it can sometimes be a lubricative effect, however, for the most part, the consistent and voluminous expenditures from the confronted corruption in business activities can be generated. The more corruptive the host country are, the more extra cost it might generate to response to confronting problems. In contrast, Alvaro (2006) investigated the impact of corruption on FDI, which shows that corruption actually deters FDI from countries signed with OECD convention but it does not deter FDI from countries with high corruption. With regard to Chinese POEs of Inner Mongolia, most of POEs are small and medium sized and have a limited financing ability, which can lead to increase business uncertainty aside from amounts of outward foreign direct investment. It finally provides a big burden on running business there, which can result in lower business performance in host countries. Such arguments suggest a negative relationship between corruption in host countries and business performance.

H1: Corruption in host countries will have a negative impact on performance of Chinese private owned enterprise.

2. Political Risk in Host Country

Political risk can be represented as a kind of unexpected transaction cost, and it explains some risk remaining events or accidents occurred due to war, riot, and infringement of business contracts, but there is little consensus on its definition (Khattab, Anchor, & Davies, 2007). The more insecure the political situations are, the higher their risk are, which result in the decline of

stability in production and its management. As a result, the political risk barriers such as transaction costs increase, as their risk has a negative effect on China's outward foreign direct investment (Chou, Chen, & Mai, 2011). However, political risk may attract the will of a country's OFDI with an analogous to political environment (Morck et al., 2008). The interconnection between political risk and foreign direct investment induce home countries to overseas investment due to high risk, high reward investments (Buckley et al., 2007). With regard to Chinese POEs of Inner Mongolia, most of POEs are small-medium size so it is hard to expect an effective support or protection from armies in host countries, which they might not have a substantial counter-measure against encountered local risks. Generally, high political risk is related with low values of FDI inflow (Chakrabarti, 2001). It can cause their business risky, and finally provides a big burden on operating managing activities there, which can result in lower business performance in host countries. Such arguments suggest a negative relationship between political risk in host countries and business performance.

H2: The higher political risk in host countries, the less performance of Chinese private-owned enterprises.

3. Market Fluctuation in Host Country

The effectiveness of any OFDI likely depends on market fluctuation (Jaworski & Kohli, 1993). Main factors for Chinese POEs caused by market fluctuation in a host country can be stated as demand uncertainty, fierce competition, and customer acceptance of Chinese products. Among the diverse dimensions of market fluctuations, demand uncertainty and fierce competition denote commonly used factors, which indicate some index roles to represent customers and competitors (G. B. Voss & Voss, 2000). The more uncertain and faster market change are, the more difficult market scale and demand are, which lead to escalate the risk of export and overseas investment. Demand uncertainty can be represented as unpredictability of customer preferences (Gatignon & Xuereb, 1997). When customer demand is uncertain, it can be a big burden to OFDI POEs since they should seize customers' potential needs and may transform their products and services types fit for customer preferences. As well, in the uncertain market demand, it is much hard to identify

or predict customer needs since it can change in rapid (Lee, 2015; Zhou & Li, 2012). Fierce competition represents the level of intensity of competition in the same industry (Porter, 1985). Under the intensive competition, customers usually have many choices to select among their products, compared with competitors, companies monitor their actions in the marketplace (Han et al., 1998). The more fierce market increases, the higher substantial and potential risk of business grows, which may reduce the effect of go global strategy. Regarding Inner Mogolia POEs, most of small-medium sized POEs are reluctant to be exposed to fluctuation in the business market and also have some limitation to capture and monitor demand and market situations thoroughly. Such arguments suggest a negative relationship between market fluctuation in host countries and business performance.

H3: Market fluctuation in host countries will have a negative impact on performance of Chinese private-owned enterprises.

4. Cultural Difference

Cross-cultural context arises from the discrepancy between cultures regarding some aspects, such as geography, history, language, customs, religion, values, and so on (Chirkov, Lynch, & Niwa, 2005), which carries over into difference of customer demand and spending habits, which also go into distinct type of corporate management. Johanson & Vahlne (1977) shows that the cultural difference between home and host countries makes inner communication of firms worse and leads to increase trading costs as well. Li & Guisinger (1992) expanded the scope of studies to more various countries and analyzed 168 service multinational corporations from 1976 to 1986. Johanson & Vahlne (1977) indicates that cultural difference makes home countries play a role to control the investment volume of host countries. Tang (2012), based upon Hofstede (1980), investigated 21 OECD countries and 14 non-OECD countries using the FDI date from 1980 to 2000, which indicate that individualism dimension has a positive relationship with inter-nations' FDI flows, but power distance has a negative relationship with inter-nations' FDI, and their two dimensions don't have significant relationship with inter-nations' FDI. In the other aspect, some research suggest that cultural proximity has some positive effect on Chinese outward direct investment where the

existence of Chinese descent in the host country has stimulated inward investment by Chinese firms (Buckley et al., 2007), which might cause to decrease various transaction costs occurred from cultural difference. From the perspective of oversea trading activities, their difference cause potential trade friction and barriers. Also, firms might spend direct transaction costs against dealing with facing cultural dissimilarity, such as neighboring residents or labor unions. Regarding Inner Mogolia POEs, their initial periods of OFDI are short and did not yet have a great stock of experiences going global in which they are more likely to be exposed to barriers to cultural difference. Such arguments suggest a negative relationship of cultural difference among home and host countries to business performance.

H4: Cultural difference experienced in host countries has a negative impact on performance of Chinese private-owned enterprises.

5. POEs' Resource Endowments

Firms' resource endowments basically decide core competitive power, which impact on the drive of overseas exploitation. Firms make the most of their existing resources and capabilities in host countries at the outset of outward FDI (Dunning, 1993). The potentially exploiting resource overseas depend on their own past backgrounds of resource and capabilities accumulation. In particular, firms should reasonably reconfigure their existing resources and capabilities fit to the host countries in order to operate their business management successfully. Go global strategies are propelled by firms' resource endowments, which are influenced by their home environment, thus, the strategic patterns of go global are adjusted by local firms' distinctive settings and the resources (Tan & Meyer, 2010). Johanson and Vahlne (1977) indicates that lack of understanding of difference between the home and host countries can be a main obstacle to operate business so firms need to solve exposed troubles. Managers and dispatched employers accumulate local capabilities over time in the host countries, which improve managerial local capabilities and help firms achieve higher business performance.

H5: POEs' resource endowment and their capabilities in host countries has a positive impact on performance of Chinese private-owned enterprises.

Ⅲ. Research Methodology

1. Sample and data collection

Data was achieved utilizing random sampling of faculties from POEs within cashmere industry that are listed in Industry and Commerce Bureau, Inner Mongolia province, which stands as the main industry there and POEs make up almost 90% of Inner Mongolian cashmere firms. The selected twenty-four POEs' sample in this study are restricted to export trade firms and overseas subsidiary business as outward FDI in which managers more than middle level participated in the interview and then also in the survey. The selected regions are distributed around Inner Mongolia where random sample of POEs are located in Hohhot (66.7%), Baotou (8.3%) and Ordos (25%). Before an initial mailing, a series of telephone checks was also made to verify basic data such as addresses, names of top managers, and business conditions, and then the initial mailing was directed to senior or middle managers of the export trade firms and overseas subsidiaries. We also asked for support by mobile electronic tools such as social network service from non-respondents and collected delayed questionnaire responses, and the collection of questionnaires were conducted within four months from November, 2014 to February, 2015. With examining data examination that includes missing value, suspicious pattern data, and data distribution, a final effective sample size of 82 responses from initially randomized selected 240 respondents were used in analyzing this empirical study, and the usable response rate shows 34.2%. The unit of sample analysis indicates that the business types of respondents include export trade firms and POEs with outward FDI. Respondents' overseas experience ranges from below 5 years to over 15 years where the respondents have the average of around 25% overseas experience, and are composed of below 5 years (8.3%), 5 to 10 years (25%), 10 to 15 years (37.5%), and over 15 years (29.2%). Firm size calculated as the number of employees shows that nearly 66% of the investigated POEs ranges from 300 to 1,000 employees, and the others are composed of below 300 employees (8.3%), 1,000 to 2,000 employees (20.8%), and over 2,000 employees (4.3%).

〈Table 1〉 Profile of target POEs in Inner Mongolia

Profiles	Description	Frequency	Percent
Number of Employees	Below 300	2	8.3
	300~500	8	33.3
	500~1000	8	33.3
	1000~2000	5	20.8
	Over 2000	1	4.3
District	Hohhot	16	66.7
	Baotou	2	8.3
	Ordos	6	25
Overseas experience	Below 5 years	2	8.3
	5~10 years	6	25
	10~15 years	9	37.5
	Over15 years	7	29.2

3. Measures

The measures of the analysis variables have been constructed on a multiple-items method and each item was evaluated on a 5-point Likert scale and all of them are perceptual variables (1 = strongly disagree, 5 = strongly agree). The study measures contextual antecedents of 'go global' barriers with 18 items corresponding to corruption, political risk, market fluctuation, cultural difference, firms' resource and capabilities endowment that are indicated in the above hypotheses. Most of these items have been developed on the results interviewed by the field investigation and previous theoretical reviews. We developed a perceptual measurement scale that asked senior managers to describe the extent they thought about bribes from running business overseas in the generosity of taking bribes, the necessity of offer bribes, and the effect of bribes in comparison with no-bribes along a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). The Cronbach's alpha of this scale is 0.940. To measure political risk in the host countries, two items was used to evaluate, including instable political status and poor security environments, which were modified from Adel Al Khattab et al. (2007) (Cronbach's $\alpha = 0.740$). The measure of market fluctuation is used by three items mostly based on the suggestions of Jaworski & Kohli (1993) and Gatignon & Xuereb (1997), which includes changes of demand preference, highly competitive market, and we add ourselves an item as customer preference on Chinese products in

host countries ($\alpha = 0.741$). The measure regarding cultural difference was developed as a perceptual measurement scale that asked senior managers to describe the extent they thought about cultural barriers in running business and management, which include understanding the local culture and customs, the communication rate of overseas Chinese, and overall cultural difference ($\alpha = 0.666$). To measure firms' resource and capabilities endowment, a four-item measure was explored in the survey. The participants were asked to rate their own POEs' resource and capabilities regarding a large-scale POEs, enough disposable capital, high international reputation, a strong technical advantage ($\alpha = 0.745$). Lastly, to measure 'go global' business performance, a three-item measure was used to gauge the POEs' business performance in the survey. The participants were asked to rate their own POEs' business performance, including overseas business profit, willingness to long-term business, and overall business satisfaction ($\alpha = 0.747$).

IV. Empirical Results

1. Validity and Reliability

In this study, we used principal components analysis (hereafter, PCA), exploratory factor analysis (hereafter, EFA) as analytical methods and used SPSS 17 version as a statistical tool. The reliability and validity of the indicators were estimated. Initially, EFA to verify the unidimensionality of each construct was conducted. The unidimensionality of each construct was checked by EFA whether this study was suitable for an exploratory research. We followed tools to the unidimensionality of a block suggested by Tenenhaus et al. (2005) and also followed PCA and Cronbach's alpha except for Dillon-Goldstein's ρ . Each measured indicator converges to the corresponding a factor and its indicator weights to one factor with high ratio than other factors.

A block is usually accepted as unidimensionality in the case that 1st eigen-value is higher than 1. Kaiser-Meyer-Olkin (hereafter, KMO) is the measure of sampling adequacy, that is, evaluates the level of associated variables shared with a common factor and their criteria values are between 0 and 1, where the value below 0.50 are not acceptable (Kim & Mueller, 1978). Bartlett's Test of Sphericity (BT) statistics to confirm the data fitness to factor analysis and it can

be considered as unidimensionality in the case of $p < .01$. Cronbach's alpha is a typical index to confirm the reliability of constructs, and it can be unidimensional if its value is usually more than 0.7 for confirmatory studies and exceeds 0.6 for exploratory studies but its criterion is accepted in different each academic field (Lee, 2015). It results in each block that includes, which support a unitary construct and satisfy the criteria of a block unidimensionality to proceed the next evaluation of regression analysis and their hypotheses.

<Table 2> Check for block unidimensionality

Block	Item(#)	KMO	Bartlett's test (Sig)	Cronbach's Alpha
'Go global' business performance	p1, p2, p3	0.686	< .001	0.747
Corruption	c1, c2, c3	0.770	< .001	0.940
Political risk	r1, r2	0.500	< .001	0.740
Market fluctuation	m1, m2, m3	0.657	< .001	0.741
Cultural difference	d1, d2, d3	0.592	< .001	0.666
Firms' resource endowment	e1, e2, e3, e4	0.534	< .001	0.745

All items of each construct have loading value higher than 0.50 as shown in Table 2, which indicate that they are highly interrelated with each other within each construct.

2. Test of Hypotheses

To analyze the above hypotheses, regression analysis was applied to analyze the relationship among corruption, political risk, market fluctuation, cultural difference, and firms' resource endowment for independent variables and 'go global' business performance for a dependent variable. Hypothesis 1 states that corruption in host countries will have a negative direct impact on Chinese POEs' business performance. We found that host countries' corruption coefficient is not significant ($\beta = -.101$, $p = .334$). Hypothesis 2, which states that the stronger political risk in host countries, the less business performance of Chinese POEs, is not supported ($\beta = .098$, $p = .350$). Hypothesis 3 states that market fluctuation in the host countries will have a negative influence on Chinese POEs' business performance. It results that market fluctuation's coefficient

becomes marginally significant ($\beta = -.207$, $p = .052$) at the level of 0.05. It indicates that higher level of market fluctuation in host countries can lead to some drops in business performance in comparison to stable or moderate market conditions. Regarding the direct effect of cultural difference on Chinese POEs' business performance, Hypothesis 4 states that higher levels of cultural difference will have a negative impact on Chinese POEs' business performance. It shows that its coefficient is significant at the 0.01 level, offering strong support for this hypothesis ($\beta = .293$, $p=.006$). Lastly, Hypothesis 5, which states that Chinese POEs' resource endowment and their capabilities in host countries will have a positive impact on their business performance, is some supported. It shows that its coefficient is significant at the level of 0.10, providing some support for this hypothesis ($\beta=.173$, $p=.099$).

V. Discussion

1. Theoretical Implications

This study focus on exploration of going global barriers of Chinese POEs and the relationship between independent variables, such as, corruption, political risk, market fluctuation, cultural difference, and firms' resource endowment and business performance from Chinese POEs. This study contributes to the literature in several ways. First, by identifying an important barrier of going global - a troublesome of Chinese POEs - this study fills the research gap relating to what to do and don't (Wu et al., 2011). The market fluctuation explains how Chinese POEs, in case of customer preference, competitive market, and demand change affect their business performance. In particular, market fluctuation negatively influences business performance, which highlights the importance of understanding overseas customers completely and focusing on sensing capabilities to adapt to fast changing environments (Teece, 2009; Teece, Pisano, & Shuen, 1997). Therefore, in stages of fierce competition, firms should thoroughly monitor the competitors and take actions fast in response to their offerings to achieve a highly differentiated spot. Market fluctuation in the host countries impede satisfaction of Chinese cashmere POEs' going global, which can be interpreted with relevant to their properties. Cashmere products do not belong to

daily necessities, which has characteristic with relatively high price and obvious season to wear. Once economic fluctuation happens in the host countries, the consumption of luxuries products declines and reduce order volume of cashmere, which leads to impact of trading from firms. Because the majority of POEs do not have their own brands for export, they can not control products price, in general, firms with internationally recognized brands receive profit margins, so POEs receive various external market risks. However, corruption and political risk in the host countries don't have a significant bearing on business performance, perhaps because the corruption in host countries can sometimes be a lubricative effect as 'grease in the wheel of commerce' (Cuervo-Cazurra, 2006), which may support the positive or non negative view of the relationship between corruption on FDI (Henisz, 2000; Wheeler & Mody, 1992). For example, King Deer Cashmere group established factories in Africa and Madagascar, going global strategy of cashmere POEs in Inner Mongolia mainly rely on OEM export. Although several larger manufacturers own their independent and direct sales offices overseas, small and medium-sized manufacturers run business for domestic customers and OEM export. Therefore, host country's corruption and political risk are not only very difficult to be directly applied to the domestic cashmere manufacturers, but also applied to the international famous brand of business activities. Due to the international well-known brand of cashmere products are mainly sold to North America, Western Europe and other developed countries where their corruption level is relatively low and relatively stable political environment, so sales of products are rarely affected fluctuations in domestic political influence. The second contribution of this study entails the test of the exploratory items of cultural difference, which were developed from the field, and their negative relationship with business performance. When cultural difference is greater, the business performance of POEs declines. The finding regarding the positive effect between firms' resource and capabilities endowment on POEs business performance indicates that managers learn and acquire the local knowledge and their various capabilities over time, which continuously escalate managerial capabilities, and finally, lead to POEs' growth. Therefore, when Chinese POEs attempt to go global, firms may risk facing some anonymous barriers and need to adapt fast to overseas risks.

2. Managerial Implications

This study suggests several pertinent insights for managers. How to be successful on executing going global strategies is a key issue that practitioners have ever since tried to solve by analyzing different approaches to barriers in going global: level of market fluctuation, cross-cultural difference, as well as reconfiguration of resource and capabilities from firms' existing mode. Our study approaches to a more internal observation of the internationalizing POEs as the leading industry in Inner Mongolia. For managers and early internationalizing POEs, it is essential to question how to shape their competitive advantage and develop strategies. It is necessary for Chinese POEs to search for the applicable way to go global through joint venture with internationalized enterprises in the manner of OEM (original equipment manufacturing) and ODM (original design manufacturing) to learn and seize international trends and customer trends, which lead to increase their core capabilities. In addition, it needs to prepare for re-change to develop their unique brand in response to overseas competition and also continue to provide the exact substantial information and promotion activities for customer in host countries to let them know Chinese cashmere reputation and qualities to change their recognition about Chinese cashmere to enhance its international stature. Besides, to prevent fierce competition within inner industry, government support to build the standard quality index and institutional channels to share and understand overseas information and cross-cultural dissimilarity relevant to host countries.

3. Limitations and Future Research

This study has the following limitations which should be addressed in future research. Clearly, the results of the current study are context-specific. Although it is possible to extend this study to other contexts, it may restrict the generalization of the findings. Therefore, a useful extension would be to conduct this study in other business settings. Further, in cashmere markets, going global may take many forms. In future research, it is necessary to overcome any constraints in measuring this factor. A more valid measure to describe the various situations in which POEs are going global is needed. Because the research on POEs' going global, especially minority autonomous region of the private enterprises, started late and the studies on their challenged barriers with going global are still in the exploratory stage. This study is a preliminary research

in this field, so it needs to be further excavated and discussed in the future study. First, the cashmere industry in Inner Mongolia region has a strong representative, but it can not reflect the situation of all POEs in Inner Mongolia. Second, it has a limited condition, which its empirical research selected barrier variables of the host countries, POEs own barriers, and it does not compose domestic factors into the empirical study. The domestic barrier variables were carried out within parts of qualitative research method through the field interview, and their identified barrier variables make up for the shortcomings of this quantitative study. Finally, in addition to its contributions to an understanding of 'going global' barriers, this research is an essential step for further examination of key antecedents and consequences of POEs' going global to promote future studies in the 'go global' strategy.

Appendix

Measurement Scale

Item	'Go global' business performance	
p1	Performance 1	We are currently operating with a high degree of profitability in overseas business.
p2	Performance 2	We are willing to continue our long-term business in the current host countries
p3	Performance 3	Our sales growth in the host countries is satisfactory.
Corruption in the host country		
c1	Corruption 1	Offering and taking a bribe in your host countries are a universal phenomenon.
c2	Corruption 2	We believe that a bribe needs to ensure the smooth development of business activities in the host countries.
c3	Corruption 3	There are much difference of outcomes between offering a bribe and no-birbe.
Political risk in the host country		
r1	Risk 1	National political status of host countries is instable and frequently occurs wars.
r2	Risk 2	Domestic security situation in the host countries is poor and frequently occurs violence and riots.
Market fluctuation in the host country		
m1	Market 1	Customers' demand preference for our products in our host countries changes fast.
m2	Market 2	There exist competitors producing our similar products in your host countries and market competition is fierce.
m3	Market 3	There exists a great degree of difference to accept Chinese products among customers in the host countries.
Cultural difference		
d1	Culture 1	There exist overall cultural differences between home country and host countries.
d2	Culture 2	We are insufficient in understanding the culture and customs of the host countries.
d3	Culture 3	It has a low proportion of foreign citizens of Chinese origin in the host countries.
POEs' resource endowment		
e1	Resource 1	Our firm is a large-scale private owned enterprises.
e2	Resource 2	Our firm has discretionary enough funds.
e3	Resource 3	We believe that our brand reputation is internationally renowned for its high visibility.
e4	Resource 4	We have a strong technical advantage compared with competitors

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국문초록

중국 내몽고 캐시미어 민영기업의 해외시장 진출 장벽에 관한 탐색적 연구

이건형*

본 연구는 중국 캐시미어 민영기업의 해외진출에 관한 장벽요인을 부패, 정치적 리스크, 시장의 변동성, 문화적 차이, 그리고 기업의 자원부존도 측면에서 탐색하는 것이다. 현존하는 실무적 배경을 조사하기 위하여 내몽고에 위치하고 있는 후허하오터(呼和浩特市), 바오터우(包頭), 오르도스(鄂爾多斯)에서 캐시미어 해외수출입 업무를 담당하고 있는 민영기업을 대상으로 조사를 실시하였다. 해외 현지국의 부패 및 정치적 리스크는 중국의 해외진출전략에 유의미한 영향을 미치지 않는 것으로 나타났으며 해외 현지국의 시장변동성은 기업의 성과에 부정적인 영향을 미치는 것으로 나타났다. 문화적인 차이는 비즈니스 성과에 부정적인 영향을 미치고 민영기업의 자원부존은 해외진출전략의 비즈니스 성과에 긍정적인 효과가 있는 것으로 나타났다. 마지막으로 본 연구의 토론에서 중국 민영기업의 해외진출전략의 장애를 극복하기 위한 중국 정부정책 및 산업생태계에 대한 실무적 시사점을 기술하였다.

주제어 : 중국 민영기업, 내몽고, 해외진출전략, 중국 캐시미어 산업

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