

Original Research Article

The pivotal roles of network status in international strategies alliance and assets creation of emerging economies

---- Based on the case study of Chinese Huawei Company

Abstract: The motivation of enterprises from emerging economies lies in their selection of international strategic alliance partners, while also considering market location, international expansion, and technological exchanges. Based on the case study of Chinese Huawei Company, social network theory is adopted in this study to explore the influence of network status and creative assets on how these enterprises select their partners. These enterprises must select the central position in the network and then consider closer structural holes and rich creative assets as their strategic alliance partners.

Keywords: Emerging economies; Strategic alliance; Network status; Creative assets; Case study.

1、 Introduction

How do enterprises from emerging economies gain profit from international joint ventures? Although strategic motives and partner selection criteria have become popular research themes in the examination of international strategic alliances (ISAs), only few studies have specifically investigated the perspective of local partners (Hitt et al., 2004; Luo, 2002; Yan & Gray, 1994), with the aim of providing a detailed analysis of enterprises from emerging economies. The continuous global economic integration has driven enterprises to expand via cross-border mergers and acquisitions, through which ISAs are established to develop the international market.

However, ISA studies from developing countries have given little consideration to the strategic objectives of local firms and have mainly treated them as passive partners (Li & Shenkar, 1996, 1997). This lack of consideration presents a particular weakness because the underlying motivations for ISA formation can differ markedly between local firms and their foreign partners (Dacin, 1997; Demirbag, 1995; Tallman,

1990;Yan,1994).Many studies on ISA partner selection have investigated the perspective of western multinational enterprises (MNEs) (Arino,1997;Geringer,1988; Glaister,1997), but only few have specifically examined the perspective of enterprises from emerging economies (Hitt et al., 2004; Luo, 2002). Hitt et al. (2004) and Luo (2002) contend that foreign and local partners differ tremendously in their strategic motivations and partner selection criteria for alliance formation. They find that organizational background and competitive advantage exert different effects on strategic alliance; hence, they encourage additional research on the perspective of local partners (Hitt et al., 2004; Luo, 2002).

Yet though these theoretical views are helpful,outstanding issues remain. First, the empirical supportfor the existing theoretical views is limited.The empirical findings have often been statisticallymodest (e.g.,Hill et al.,1992), and sometimes theyhave conflicted with theory or with each other (e.g.,Gupta&Govindarajan, 2000; Tsai, 2000). Second,the existing theoretical views focus on development firms,the theoretical views of emerging economies is little,but it is important for emerging economies to know how to choose partner.Third, there is no empiricallygrounded, theoretical account of the distinct actionsthat executives take to create effectiveinternational strategies alliance.

To solve these problems, we examine several aspects of the main topic, including those stated below.

(1) We investigate the motivation of enterprises to establish ISAs. The strategic motives of enterprises from both developed and emerging economies differ in many areas. An ISA is a cross-country partnership among enterprises, which aims to achieve a specific strategic target. Strategic alliances can be formed through equity sharing, mergers, joint ventures, research and development (R&D) partnerships, joint production, joint marketing and distribution, and other forms of non-equity (Durning, 1995). Coalition partners aim to achieve cooperation among international enterprises (Geringer, 1991). Previous studies have investigated the key factors involved in the selection of ISA partners, with earlier studies focusing on the perspective of local

57 partners (Hitt, 2005). However, empirical studies on the partner selection process of
58 enterprises from emerging economies are relatively few, considering that these
59 enterprises are often investigated as extensions of western MNEs (Hitt, 2005).

60 (2) We explore the relationship between the strategic motives and the partner selection
61 criteria of enterprises from emerging economies, in accordance with a specific strategic
62 purpose. The aim is to determine how such enterprises select task- or partner-related
63 ISA partners.

64 (3) We investigate the enterprise network center status and creative assets partner
65 selection criteria to explore whether enterprise network centrality and creative assets
66 can influence partner selection.

67 We use cases and data from MNEs in China, arguably the biggest emerging
68 economy in the world, to test our assumptions. The development of China can be
69 inferred from the data of its MNEs. Studies on the ISA partners of Chinese MNEs are
70 mainly conducted from the perspectives of organization control, ownership
71 arrangement, get-into strategy, and performance influence.

72 Studies on how Chinese enterprises establish ISAs are relatively insufficient.
73 Studies on foreign investment and transnational investment mainly focus on Chinese
74 enterprises and their current partner selection criteria. In response to the lack of related
75 studies, the current study will investigate the actual situation of Chinese enterprises
76 through literature review, web research, and other empirical research methods. We also
77 analyze how Chinese enterprises select their ISA partners. We specifically investigate
78 the international enterprise partner selection model of Huawei, which is the most
79 representative MNE in China, and is included among the Fortune 500 companies. We
80 investigate the partnership of Huawei with 32 software and terminal product firms by
81 examining the social networks that exist among them, and by analyzing the data from
82 enterprises that tend to choose ISA partners based on their network center position and
83 rich creative assets.

84 This article is arranged into several sections. First, we introduce the theory

backgroup, we explore the motives of enterprises and the selection criteria to seek strategic alliance partners. Second, we discuss the research methods; we investigate the partnerships of Huawei with foreign companies from a social network perspective, with the aim of investigating how network location and creative assets influence its selection of strategic partners. Third, ~~w~~We find that network center position, closer structural roles, and rich creative assets of foreign enterprises are the criteria used by enterprises from emerging companies to select ISA partners.

2、Theoretical background ~~u~~ p

The selection of ISA partners must be driven by a certain motive. By establishing such partnerships, enterprises can gain complementary resources and additional market knowledge. This venture also helps a company study the management knowledge, technology, and new products of their partner firms to improve the former's competitive advantage.

Local and multinational enterprises have different strategic motives for selecting ISA partners. The considerable heterogeneity in the institutional environments, resources, and asymmetric abilities may affect the motivation of enterprises from developed and developing countries to form ISAs. Such differences often lead to formation of different partner selection criteria. For example, enterprises from developing countries consider technology exchange, learning management skills, and access to the international market as their main strategic motivations (Beamish, 1987). Such firms also choose strategic partners to improve their technical abilities (Beamish, 1997), learning management experience (Pearson, 1991), and profit (Shenkar, 1990) as well as to earn foreign exchange through exports. By contrast, enterprises from developed countries consider access to the local market, international expansion (Glaister, 1993), local government policy implementation (Teagarden, 1991), and access to cheap resources (Child, 1990) as their strategic motivations. From the perspective of enterprise resource base theory, Hitt et al. (2004) find that a technical (technological) gap exists between enterprises from emerging and developed countries,

113 in which the former depends on the latter to enhance their technical abilities.
114 Specifically, enterprises from emerging economies are attracted by the highly advanced
115 enterprises from overseas. By cooperating with these advanced enterprises, those from
116 emerging economies can quickly learn new key technologies.

117 Enterprises from emerging economies also consider market location, international
118 expansion, and technological exchanges as their motivations for establishing ISAs.
119 These enterprises select task- and partner-related partners according to their strategic
120 motives.

121 Based on the literature review, we find that the research on the ISAs of enterprises from
122 developed countries has attracted relatively mature transnational investments, whereas
123 the partner selection criteria of enterprises from emerging economies have attracted
124 limited research attention. Previous studies have mostly employed a static perspective
125 to explore such alliance. Given its different development stages and characteristics,
126 alliance management is considered a dynamic process.

127 Therefore, from the perspective of motivation, we argue that enterprises from
128 developed countries and emerging economies have different strategic motivations and
129 partner selection criteria. Enterprises from emerging economies also have different
130 motives for selecting task- and partner-related partners.

131 The continuous global economic integration has led to the emergence of
132 international business strategic alliances. The formation of such alliances not only
133 presents the most common strategy for enterprises to enter the international market,
134 they also provide opportunities to shared resources and acquire knowledge through
135 long-term cooperation. However, the formation of strategic alliances has a very high
136 failure rate; thus, selecting the right partner is a key factor in the success of such
137 alliances. Choosing the appropriate ISA partners is essential in ensuring the success of
138 such alliances(Harrigan,1998). Having the right selection criteria also helps strengthen
139 the skills and resources of the involved enterprises, thus affecting the ability of such
140 alliances to achieve their strategic goals (Geringer, 1991).

141 Given that choosing ISA partners is a very difficult process, which affects the
142 success of an alliance, several studies have investigated several ISA partner selection
143 criteria. Geringer (1988) classifies such criteria into task-related selection and
144 partner-related selection criteria. The former refers to the success of an enterprise in
145 gaining competitive and strategic resources as well as in securing the required skills for
146 establishing strategic consistency between partners. The latter refers to how partners
147 collaborate effectively to achieve consistent cooperation among organizations.

148 Johnson (1995) proposes five dimensions related to how enterprises choose their
149 partners, namely, duration, frequency, link diversity, symmetry, and cooperation.
150 Seirra (1995) proposes the "3C" standard, namely, Compatibility, Capability and
151 Commitment, for choosing strategic partners. Wilkinson (1995) analyzes the "4C"
152 framework for choosing ISA partners, in which partner firms that provide
153 complementary skills and organization culture with one another have the same goals
154 and commensurate levels of risk, allowing them to realize their cooperation target.
155 However, Rackham (1996) finds that business relationship cannot be used as the basis
156 of partner selection; instead, he proposes the following conditions of partnership
157 options: creation of contribution potential, shared value, environment, and favorable
158 partnership with suppliers.

159 From the perspective of foreign enterprises, Luo (1998) suggests that the desire of
160 Chinese enterprises to access the local market, secure scarce or cheap resources, and
161 promote international expansion has driven them to establish strategic alliances with
162 foreign companies. The differences in their motives have led to the formation of
163 different partner selection criteria. Luo (1998) argues that variations in culture,
164 infrastructure, and government policies across countries have generated different
165 purposes for establishing strategic alliances. Moreover, a change in the external
166 environment of the partner selection criteria can also change the purpose behind the
167 formation of strategic alliances.

168 Li Dong (2006) argues that the selection criteria are highly associated with the task

169 determined by the strategic motivation. The task type related to the selection criteria is
170 usually specific to the alliance, whereas the partnership type related to the selection
171 criteria is more inclined to the comprehensive properties of the alliance.

172 3、Research methods

173 Given limited theory about how the pivotal roles of network status in international
174 alliance strategies and assets creation of emerging economies, we relied on inductive
175 theory building using Chinese Huawei Company. Huawei is the second largest
176 telecommunication equipment supplier, the third largest smartphone manufacturer, and
177 the leading supplier of information and communication solutions in the world. Huawei
178 constantly promotes the internationalization of its R&D department and actively seeks
179 ISA partners. However, its partner selection criteria remain unknown.

180 Given that Huawei primarily provides software, network and terminal products,
181 we select several enterprises that develop software and related end products according
182 to the following criteria: (1) higher turnover, high level of technical production and a
183 strong capability to digest and absorb technology; (2) a large number of creative assets;
184 and (3) a high proportion of corporate research and development input. After the
185 screening process, we select the following companies: from the US, Motorola(摩托罗拉),
186 Microsoft(微软), Dell(戴尔), Apple(苹果), Utstarcom(UT斯达康), Palm,
187 IBM, Cisco(思科) and Alcatel-Lucent(阿尔卡特朗讯); from Germany, Siemens
188(西门子), Bosch(博世), SAP, Covey(科维), 3S, Bit-side, Cekay(科策) and
189 Keller; from Japan, Toshiba(东芝), Sony(索尼), Panasonic(松下), Sharp(夏
190 普), Fujitsu(富士通) and NEC; from South Korea, Samsung(三星), LG, NC and
191 Tmaxcore; and from India, Seeley(斯利技术公司), Infodys, HCL(HCL技术公司),
192 MrDia(萨迪亚姆), and Micromax.

193 Table 1 International strategic alliance of enterprise cooperation network nodes

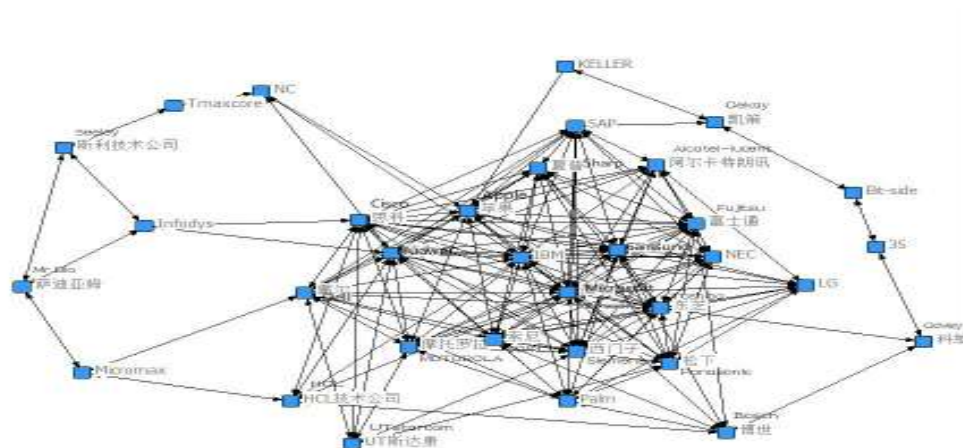
	USA	Germany	Japan	Korea	India
C1	MOTOROLA (摩托罗拉)	Siemens (西门子)	Toshiba (东芝)	Samsung (三星)	Seeley (斯利技术公司)
C2	Microsoft (微软)	Bosch (博世)	SONY (索尼)	LG	Infodys
C3	Dell (戴尔)	SAP	Panasonic (松下)	NC	HCL (HCL 技术公司)
C4	Apple (苹果)	Covey (科维)	Sharp (夏普)	Tmaxcore	MrDia (萨迪亚姆)
C5	UTstarcom (UT 斯达康)	3 s	Fujitsu (富士通)		Micromax
C6	Palm	Bit - side	NEC		
C7	IBM	Cekay (科策)			
C8	Cisco (思科)	KELLER			
C9	Alcatel-lucent (阿尔卡特朗讯)				

194 We use social ~~network~~network model to explore Huawei how the pivotal roles of
195 network status in international strategies alliance and assets creation of emerging
196 economies.

197 Huawei choose the partner,which depends on its ~~stragetic~~strategic motive,the partner of
198 international strategies alliance.To access to the technology,Huawei ~~choose~~
199 ~~Motorola~~choose Motorola(摩托罗拉), Microsoft (微软) , Dell (戴尔) , Apple (苹
200 果) , ~~Utstarecom~~UTStarcom (UT 斯达康) , Palm, IBM, Cisco (思科) and
201 Alcatel-Lucent (阿尔卡特朗讯) and another firms who has great technol~~ogy~~y skill.To
202 access to the international market,Hua wei choose the firms who has good brand of its
203 local market,and the key location of network,to improve Huawei's profile to access to
204 international market.

205 Ucinet is used on the collected enterprise cooperation data. NetDraw is then used to

206 illustrate the enterprise cooperation network, which is presented in the following figure.



207
208 Figure 1 International strategic alliance enterprise cooperation network diagram

209
210 **4、Data Collection**

211 The links between nodes reflect the cooperative relationships among enterprises.
212 This study adopts the network retrieval method to determine the cooperation among the
213 enterprises within the networks. At present, the lack of systematic information or data
214 can result in massive workload. Given that the cooperation among international
215 enterprises cannot be accurately reflected by statistical data alone, the network
216 information retrieval method can be used to determine the cooperation among
217 enterprises. Information must be retrieved as much as possible to create a
218 comprehensive, accurate, and complete dataset.

219 We relied on two data sources : search engines and company websites. The data
220 sources provides more accurate information and improves the robustness of the
221 resulting theory. We compare two enterprises using the retrieved information to
222 determine whether a partnership exists between them. Cooperation is established
223 between two enterprises if they have signed an agreement to cooperate with each other.
224 We obtain information on the cooperation and exchange of the 32 selected enterprises
225 by visiting their websites. We use columns as benchmarks for the company selection
226 process, in order to determine the relationship of one enterprise with another. When two

companies sign a cooperation agreement or framework, the cooperation network relations between these companies is marked as 1, if there is no agreement, it is marked 0. Table 2 shows the 496 observations collected in the data search.

Table 2 international strategic alliance cooperation access list

Search engine		Company web		Other way		Not retrieved		Total
Number	Rate	Number	Rate	Number	Rate	Number	Rate	
105	21.20%	18	3.60%	9	1.80%	364	73.40%	496

5、 Data Analysis

5.1Degree centrality

Degree centrality reflects the importance of the enterprise in its embedded social network. A higher level of degree centrality signifies that an enterprise has high reputation, credibility, and capability to use external resources, enabling it to generate more resources and information for its own advantage. According to Tsai, an enterprise located closer to the center of the social network has a greater access to a large number of other enterprises and to the latest knowledge of the industry, allowing it to enhance the depth of its existing knowledge. Stam and Elfeng argue that an enterprise located at the core of the enterprise cooperation network has a higher tendency to select strategic partners. In terms of information superiority, an enterprise positioned at the center of the network has the advantage of increasing its creative assets. Therefore, enterprises from emerging economies tend to be positioned at the center of the network to establish an ISA. The degree centrality of the selected firms is analyzed below.

Table 3The degree centrality of the selected firms

	1	2	3
	Degree	NrmDegree	Share
IBM	19.000	61.290	0.064
Microsoft	18.000	58.065	0.060
Cisco	17.000	54.839	0.057
Samsung	17.000	54.839	0.057
Toshiba	16.000	51.613	0.054
Apple	16.000	51.613	0.054
Sony	15.000	48.387	0.050
Fujitsu	14.000	45.161	0.047
Siemens	14.000	45.161	0.047
Dell	13.000	41.935	0.044
NEC	13.000	41.935	0.044
SAP	13.000	41.935	0.044
MOTOROLA	12.000	38.710	0.040
Sharp	12.000	38.710	0.040
Panasonic	12.000	38.710	0.040
Palm	11.000	35.484	0.037
Alcatel-lucent	10.000	32.258	0.034
LG	10.000	32.258	0.034
Bosch	7.000	22.581	0.023
UTstarcom	5.000	16.129	0.017
HCL	5.000	16.129	0.017
Covey	3.000	9.677	0.010
Mr Dia	3.000	9.677	0.010
Cekay	3.000	9.677	0.010
Infodys	3.000	9.677	0.010
NC	3.000	9.677	0.010
Seeley	3.000	9.677	0.010
Micromax	3.000	9.677	0.010
Tmaxcore	2.000	6.452	0.007
KELLER	2.000	6.452	0.007
Bit-side	2.000	6.452	0.007
3S	2.000	6.452	0.007

Located at the center of the enterprise network, IBM is considered the most important enterprise within the cooperation network diagram. This is followed by Microsoft, Apple and Cisco, which has a large number of creative assets similar to the top 500 enterprises in the world. Meanwhile, HCL technologies, Infodys, and Keller have the least number of creative assets and are considered the least important enterprises in the network. Therefore, when choosing ISA partners, enterprises must choose those firms with a high degree centrality (e.g., IBM, Microsoft, Apple, and Cisco).

5.2 Closeness centrality

Closeness centrality determines the tightness or distance between each node within the social network. A higher degree of closeness centrality indicates that a node has the shortest distance to other nodes and that the rest of the nodes are closely positioned with one another. This measure also identifies the node located at the center of the network.

Located at the center of the network, IBM has the highest closeness degree with the other companies in the network, followed by Microsoft, Apple, and Cisco. HCL Technologies, Infodys, and Keller have the least amount of creative assets and have the lowest closeness degree with other companies. Therefore, when choosing ISA partners,

enterprises must select those firms that are located in the center of the network (e.g., IBM, Microsoft, Apple, and Cisco).

Table 4 The closeness centrality of the selected firms

	1 inFarness	2 outFarness	3 inCloseness	4 outCloseness
IBM	47.000	48.000	65.957	64.583
Microsoft	49.000	50.000	63.265	62.000
Apple	50.000	54.000	62.000	57.407
Toshiba	51.000	56.000	60.784	55.357
Cisco	52.000	50.000	59.615	62.000
Samsung	52.000	53.000	59.615	58.491
DELL	53.000	54.000	58.491	57.407
Fujitsu	54.000	55.000	57.407	56.364
SAP	54.000	54.000	57.407	57.407
Sharp	55.000	59.000	56.364	52.542
Siemens	55.000	55.000	56.364	56.364
NEC	56.000	56.000	55.357	55.357
MOTOROLA	57.000	59.000	54.386	52.542
Sony	57.000	56.000	54.386	55.357
Alcatel-lucent	60.000	61.000	51.667	50.820
Palm	61.000	60.000	50.820	51.667
Panasonic	61.000	63.000	50.820	49.206
LG	63.000	67.000	49.206	46.269
HCL	64.000	65.000	48.438	47.692
Bosch	67.000	67.000	46.269	46.269
UTstarcom	70.000	71.000	44.286	43.662
NC	72.000	72.000	43.056	43.056
Covey	73.000	77.000	42.466	40.260
Micromax	74.000	75.000	41.892	41.333
Infodys	75.000	73.000	41.333	42.466
Cekay	77.000	77.000	40.260	40.260
Mr Dia	92.000	93.000	33.696	33.333
Tmaxcore	95.000	95.000	32.632	32.632
3S	97.000	100.000	31.959	31.000
Seeley	99.000	97.000	31.313	31.959
Bit-side	101.000	101.000	30.693	30.693
KELLER	107.000	77.000	28.972	40.260

5.3 Betweenness centrality

This refers to the distance between a node and the center of the network. The extent to which the other nodes are connected with one another is termed “mediation.” A node located close to the network structural holes (intermediary centrality) of an enterprise generates a bridge (bridging) effect in the information dissemination process. As shown in the figure below, a structural hole has a large number of “weak links” or weak ties. The mediation degrees of Cisco and IBM are high, and the location of these enterprises enables them to diversify their information control as well as to understand the technological status quo and future development of other sectors in the market; in turn, this increases the breadth of their information. As mentioned earlier, diversifying information superiority, advantage, and control can increase the creative assets of an enterprise. Therefore, an enterprise must position itself at the center of the network to establish an ISA. Such position allows it to access a variety of market information,

enhance its information control, and boost its creative assets.

Table 5 Thebetweenness centricty of the selected firms

	Betweenness	nBetweenness
Cisco	141.403	15.205
IBM	113.103	12.162
Toshiba	88.244	9.489
Cekay	83.659	8.996
Dell	73.197	7.869
Infodys	70.516	7.582
Apple	60.156	6.468
Covey	57.500	6.183
NC	53.730	5.777
Microsoft	38.666	4.158
Micromax	32.253	3.468
Bosch	23.513	2.528
Samsung	22.773	2.449
HCL	19.648	2.113
Fujitsu	16.844	1.811
SONY	16.258	1.748
Siemens	15.957	1.716
Panasonic	12.070	1.298
MOTOROLA	10.918	1.174
3S	10.471	1.126
Seeley	9.933	1.068
NEC	9.827	1.057
Bit-side	9.338	1.004
Mr Dia	9.070	0.975
Palm	8.082	0.869
Tmaxcore	7.664	0.824
Sharp	4.729	0.509
Alcatel-lucent	3.603	0.387
KELLER	1.873	0.201
UTstarcom	1.813	0.195
LG	1.810	0.195

285

286

6、The pivotal roles of network status in international alliance strategies and assets creation of emerging economies

In this work, we investigate the network centricty and creative assets of enterprises from emerging economies and their ISAs partners through a case study. An excellent network location attracts more social capital for the enterprise, provides quick access to resources, facilitates the rapid collection and dissemination of information on market and technology, and enhances the credibility of the individual or organization.

The location of the “central” social network reflects its ability to control and use its embedded resources. Network centricty has three forms, namely, degree centricty, mediation centricty and closeness centricty. Degree centricty reflects the embedded importance of the enterprise in its social network, while mediation centricty reflects the closeness of an enterprise in the social network to the structure hole. It is also of the

298

299 main measures of the individual in the network between two structural indexes.

300 An enterprise with a higher degree centrality has higher reputation, credibility, and
301 capability to use external resources. Degree centrality can bring more resources and
302 information that are beneficial to the enterprise (Ibarra, 2011). The external network
303 takes a center position in the social network; here, a closer contact with an increasing
304 number of enterprises provides an organization with more access to the latest industry
305 knowledge and enhances the depth of the latter's existing knowledge (Tsai, 2001). In
306 other words, an enterprise that is more inclined to choose a strategic partner is located
307 in the core of the enterprise cooperation network (Stam, 2008).

308 Known as strategic assets, creative assets are developed from natural resources.
309 These assets are tangible on the day they are created, but may become invisible two
310 days after they are created. Creative assets include the inherent assets of people, the
311 ownership system, as well as the capability of organizations to accumulate knowledge,
312 skills, learning, and experience. In terms of information superiority, an enterprise
313 located at the center of the network has a higher tendency to increase its creative assets.
314 Therefore, enterprises from emerging economies tend to place themselves at the center
315 of the enterprise network to establish an ISA. This summary suggests:

316 **Proposition 1a:** A central position in the enterprise network affects the ability of an
317 enterprise to accumulate creative assets. Furthermore, a higher degree centrality makes
318 an enterprise more conducive to accumulate creative assets.

319 **Proposition 1b:** A central position in the enterprise network affects how enterprises
320 select their ISA partners. Furthermore, a higher level of degree centrality motivates
321 enterprises from emerging economies to establish a strategic alliance.

322 Closeness centrality determines the tightness or distance between each node
323 within the social network. A higher degree of closeness centrality indicates that a node
324 has the shortest distance to other nodes and that the rest of the nodes are closely
325 positioned with one another. Therefore, enterprises from emerging economies tend to
326 choose the partner who is close to ~~another firm~~ another firm of the enterprise network
327 to establish an ISA. This summary suggests:

Proposition 2a:The position in the enterprise network affects the ability of an enterprise to accumulate creative assets. Furthermore, a higher closeness centrality makes an enterprise more conducive to accumulate creative assets.

Proposition 2b:The position in the enterprise network affects how enterprises select their ISA partners. Furthermore, a higher level of closeness centrality motivates enterprises from emerging economies to establish a strategic alliance.

By contrast, an enterprise that is positioned closer to the whole (intermediary centrality) of the enterprise network has a higher capability to disseminate information in the bridge (bridging). Given that a hole has a large number of “weak links” or ties (Burt, 1992), an enterprise located near a hole has the advantage of being able to diversify its information control by understanding the status of other industries and the future development of the market and technology (Tsai, 2001). By diversifying information superiority and advantage, thus facilitating information control, an enterprise can increase its creative assets. Therefore, enterprises from emerging economies tend to establish ISAs in the core of the network, increase their access to a variety of market information, enhance their information control, and boost their creative assets. This summary suggests:

Proposition3a: The position of the hole in the enterprise network can influence how enterprises accumulate creative assets. Furthermore,a higher degree of mediation centrality increases the breadth of the accumulated creative assets.

Proposition3b:The position of the hole in the enterprise network affects how enterprises from emerging economies select their strategic partners. Furthermore, a higher intermediary centrality increases the tendency for enterprises from emerging economies to establish an international alliance.

7、 Discussion

A distinguishing feature of this paper is that the findings are reported based on a case study of Chinese parent firms and their strategic alliances with foreign enterprises. The highest-ranked strategic motives of enterprises from an emerging economy include

maintaining market position,international expansion,and technology exchange. By contrast, the major strategic motives of foreign firms (as perceived by their Chinese partners) include market penetration and learning how to operate successfully in China. This study contributes to the existing literature by identifying the relative importance of network location and creative assets on the formation of strategic alliances between ISA partners, which has been rarely investigated in previous studies. Based on our findings, the distance of an enterprise from the center of the network affects its selection criteria when forming ISA partnerships. A higher degree centrality increases the tendency of enterprises from emerging economies to establish an alliance, hence supporting Proposition 1b.

Closeness centrality determines the tightness or distance between each node within the social network.According to the case study,the firm who is close to another firms,it has more creative assets.A higher degree of closeness centrality indicates that a node has the shortest distance to other nodes and that the rest of the nodes are closely positioned with one another,hence supporting Proposition2a and Proposition2b.

We also examine how the position of a hole in the network structure can influence the accumulation of creative assets. Table 5 shows that a higher mediation centrality improves the breadth of the accumulated creative assets. The location of the hole can also affect how enterprises from emerging economies select their strategic alliance partners. A higher intermediary centrality increases the tendency of enterprises from emerging economies to establish alliances with a particular enterprise, hence supporting Proposition3a and 3b.

Selecting ISA partners has an important theoretical and practical significance for enterprises from emerging economies. These enterprises are motivated to form ISAs to penetrate the market and obtain knowledge from partner enterprises coming from developed countries. The former also aim to secure a position in the market, achieve international expansion, and facilitate technology transfer. By empirically analyzing the selection criteria of Huawei, a major Chinese company, we find that enterprises

from emerging economies must choose those firms that are located in the center of the network and have a large number of creative assets when forming strategic alliances.

This study suggests the following managerial implications. First, the process by which enterprises from developed countries choose their ISA partners has been documented in many studies. However, how enterprises from emerging economies choose their strategic alliance partners has gained limited research attention. This study has a certain practical significance by addressing this research gap. The emerging market local firms are likely to have different strategic motives and to seek different types of partners compared to firms from developed countries. The ~~oreign~~foreign firms entering ISAs in emerging ~~markets must~~markets must consider their local partners' strategic motives and needs as well as their own, if the alliance is to be successful. Emerging market local firms not only select foreign partners for their resources and capabilities which are important for the alliance to be strategically viable, but also on the basis of a number of partner-related selection criteria (trust, financial stability, good reputation, etc.) in order that the alliance is operationally stable and financially sustainable.

Second, in the emerging market context, local firms' strategic motives for ISA formation are likely to be dynamic and contingent on a wide array of environment factors such as the firms' competitive position, as well as the nature and intensity of competition in the market. Consequently, a mere learning from and acquisition of foreign partners' technological and managerial capabilities may not hold as the most important strategic motives for developing-country firms over time. The findings of the study suggest that the ~~emering~~emerging firms are strongly motivated to form ISAs with foreign firms in order to effectively compete with existing competitors and to maintain competitive position in the market. Essentially, strategic alliances are being utilised as competitive weapons in the battle for national and global market share. Given that strategic motivation and partner selection standards differ across enterprises,

enterprises hailing from emerging economies must choose their partners according to their own unique strategic motives.

Third, creative assets are very important to an enterprise, and those with a large number of creative assets are usually positioned at the core of the network. Therefore, enterprises from emerging economies must choose partners with a large number of creative assets when establishing strategic alliances to increase their own creative assets.

Despite its contributions, this field of study still has several limitations. First, a universal international partner selection model for enterprises from emerging economies has yet to be developed. Second, related studies are being hindered by limited amounts of data. Therefore, future studies must expand their data sample to improve the reliability of their results. Third, it is not easy to categorize emerging economies into a homogenous group, because these countries greatly vary from one another. Therefore, further national-level and comparative research must be conducted to determine the differences among these economies.

A number of future research avenues are apparent. First, the findings demonstrate that the strategic motives for alliance formation do exhibit patterns of relative importance according to social network location and creative assets. However, the reasons underlying this evolution of strategic motives for alliance formation are an under-researched area. In particular, longitudinal studies that examine in-depth the dynamics of strategic motives would shed light on the understanding of the way in which the relative importance of strategic motives evolves over time, and how this varies with the strategic contexts. ~~Second, the~~ Second, the potential overlap between task-related and partner-related selection criteria, suggests that a greater clarification of task-related and partner-related selection criteria based on contextual variables (e.g. culture of the partners, industry of the partner firms and the nature of the ISA) would be useful, we should extend this context by looking at different types of alliances (i.e. distinguish between licensing agreements, R&D agreement, marketing alliances etc.)

and different types of control. Moreover, an explicit link between partner selection and performance is needed. Perhaps then we will be able to answer the important question of how firms select their partner in successful international strategic alliances. Third, the key variables influencing the relative importance of task-related and partner-related selection criteria is a largely unexplored area but one clearly worthy of investigation. Finally, future studies which examine the task-related and partner-related selection criteria of both partners in an alliance are encouraged in order to better understand the reciprocal dependencies of ISAs.

8、Acknowledgements

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