

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; 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, J.T., & Shenkar, O., 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; Tallman, 1990; Yan,

29 1994).

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

38 Yet though these theoretical views are helpful, outstanding issues remain. First,
39 the empirical support for the existing theoretical views is limited. The empirical
40 findings have often been statistically modest, and sometimes they have conflicted with
41 theory or with each other (Gupta, 2000). Second, the existing theoretical views focus on
42 development firms, the theoretical views of emerging economies is little, but it is
43 important for emerging economies to know how to choose partner. Third, there is no
44 empirically grounded, theoretical account of the distinct actions that executives take to
45 create effective international strategies alliance.

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

48 (1) We investigate the motivation of enterprises to establish ISAs. The strategic
49 motives of enterprises from both developed and emerging economies differ in many
50 areas. An ISA is a cross-country partnership among enterprises, which aims to achieve
51 a specific strategic target. Strategic alliances can be formed through equity sharing,
52 mergers, joint ventures, research and development (R&D) partnerships, joint
53 production, joint marketing and distribution, and other forms of non-equity (Dunning,
54 1995). Coalition partners aim to achieve cooperation among international enterprises
55 (Geringer, 1991). Previous studies have investigated the key factors involved in the
56 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 case 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

background; 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 that how network location and creative assets influence its selection of strategic partners. Third, 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

Case study method is a door to have its own unique research postulate, applicable condition, and the research path and research methods. Case study as a means of academic research and policymaking has been widely used. Most scholars generally agree that the case study method is a set of clear and systematic procedures and technology, Used to analyze the large original data obtained by the field, and the concept of Form rooted in the theory of the real world (J. Corbin, 1990); A case study from the specific empirical fact to the general theory of a research tool. It is the integrated use of a variety of data collection, information technology and means. Based on a particular social unit (individuals, groups, communities, etc.) in the background of the important events and activities, dig deep and detailed description of the process present the real appearance and rich background things, on the basis of the analysis, interpretation, judgment, evaluation or prediction.

Some scholars think that the case study method emphasizes from the general scene or the combination of all factors, it describes the phenomenon of processes or events consequences, the circumstances of individual behavior research, analysis and hypothesis (Shaw, 1927).Case study is a kind of method system research for a special event; and also case study is a general term for a group of research methods, these methods focus on study of an event (Adelman, 1997). The kind of case study mainly has four kinds: Single case study, integrity of case studies and embedded case study and

case studies, holistic case studies and embedding more case studies (Robert k. Yin, 2004). In this paper, we use single case study—A Chinese Company Huawei, to explore Huawei how to choose its international partner, and the pivotal roles of network status in international strategies alliance and assets creation.

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, K.W., 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 technological gap exists between enterprises from emerging and developed countries, in which the former depends on the latter to enhance their technical abilities. Specifically, enterprises from emerging economies are attracted by the highly advanced enterprises from overseas. By cooperating with these advanced enterprises, those from emerging economies can quickly learn new key technologies.

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

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

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

154 The continuous global economic integration has led to the emergence of
155 international business strategic alliances. The formation of such alliances not only
156 presents the most common strategy for enterprises to enter the international market,
157 they also provide opportunities to shared resources and acquire knowledge through
158 long-term cooperation. However, the formation of strategic alliances has a very high
159 failure rate; thus, selecting the right partner is a key factor in the success of such
160 alliances. Choosing the appropriate ISA partners is essential in ensuring the success of
161 such alliances (Harrigan, K.R., 1988). Having the right selection criteria also helps
162 strengthen the skills and resources of the involved enterprises, thus affecting the ability
163 of such alliances to achieve their strategic goals (Geringer, 1991).

164 Given that choosing ISA partners is a very difficult process, which affects the
165 success of an alliance, several studies have investigated several ISA partner selection
166 criteria. Geringer (1988) classifies such criteria into task-related selection and
167 partner-related selection criteria. The former refers to the success of an enterprise in

168 gaining competitive and strategic resources as well as in securing the required skills for
169 establishing strategic consistency between partners. The latter refers to how partners
170 collaborate effectively to achieve consistent cooperation among organizations.

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

182 From the perspective of foreign enterprises, Luo, Y.D. (1998) suggests that the
183 desire of Chinese enterprises to access the local market, secure scarce or cheap
184 resources, and promote international expansion has driven them to establish strategic
185 alliances with foreign companies. The differences in their motives have led to the
186 formation of different partner selection criteria. Luo, Y.D. (1998) argues that variations
187 in culture, infrastructure, and government policies across countries have generated
188 different purposes for establishing strategic alliances. Moreover, a change in the
189 external environment of the partner selection criteria can also change the purpose
190 behind the formation of strategic alliances.

191 Li Dong (2006) argues that the selection criteria are highly associated with the task
192 determined by the strategic motivation. The task type related to the selection criteria is
193 usually specific to the alliance, whereas the partnership type related to the selection
194 criteria is more inclined to the comprehensive properties of the alliance.

195 **3、 Research methods**

196 Given limited theory about how the pivotal roles of network status in international
 197 alliance strategies and assets creation of emerging economies, we relied on inductive
 198 theory building using Chinese Huawei Company. Huawei is the second largest
 199 telecommunication equipment supplier, the third largest smart phone manufacturer,
 200 and the leading supplier of information and communication solutions in the world.
 201 Huawei constantly promotes the internationalization of its R&D department and
 202 actively seeks ISA partners. However, its partner selection criteria remain unknown.

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

216 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)				

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

219 Huawei choose the partner, which depends on its strategic motive, the partner of
220 international strategies alliance. To access to the technology, Huawei choose
221 Motorola(摩托罗拉), Microsoft (微软) , Dell (戴尔) , Apple (苹果) , UTstarcom
222 (UT斯达康) , Palm, IBM, Cisco (思科) and Alcatel-Lucent (阿尔卡特朗讯) and
223 another firms who has great technology skill. To access to the international market,
224 Huawei choose the firms that has good brand of its local market, and the key location of
225 network, to improve the profile of Huawei to access to international market.

226 Ucinet is used on the collected enterprise cooperation data. Net Draw is then used to
227 illustrate the enterprise cooperation network, which is presented in the following figure.

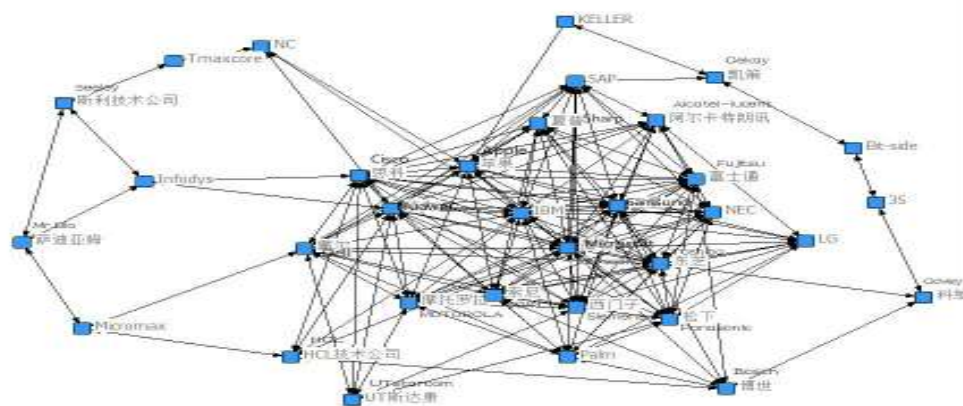


Figure 1 International strategic alliance enterprise cooperation network diagram

4、Data Collection

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

We relied on two data sources: search engines and company websites. The data source provides more accurate information and improves the robustness of the resulting theory. We compare two enterprises using the retrieved information to determine whether a partnership exists between them. Cooperation is established between two enterprises if they have signed an agreement to cooperate with each other. We obtain information on the cooperation and exchange of the 32 selected enterprises by visiting their websites. We use columns as benchmarks for the company selection process, in order to determine the relationship of one enterprise with another. When two companies sign cooperation agreement or framework, the cooperation network relations between these companies is marked as 1, if there is no agreement, it is marked

250 0. Table 2 shows the 496 observations collected in the data search.

251 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

252

253 5、 Data Analysis

254 5.1 Degree centrality

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

267 Table 3 The 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 The Betweenness Centrality 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

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

In this work, we investigate the network centrality 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 centrality has three forms, namely, degree centrality, mediation centrality and closeness centrality. Degree centrality reflects the embedded importance of the enterprise in its social network, while mediation centrality reflects the closeness of an enterprise in the social network to the structure hole. It is also of the

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

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

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

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

340 **Proposition1b:** A central position in the enterprise network affects how enterprises
341 select their ISA partners. Furthermore, a higher level of degree centrality motivates
342 enterprises from emerging economies to establish a strategic alliance.

343 Closeness centrality determines the tightness or distance between each node
344 within the social network. A higher degree of closeness centrality indicates that a node
345 has the shortest distance to other nodes and that the rest of the nodes are closely
346 positioned with one another. Therefore, enterprises from emerging economies tend to
347 choose the partner who is close to another firm of the enterprise network to establish an
348 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:

Proposition 3a: 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.

Proposition 3b: 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

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

387 Closeness centrality determines the tightness or distance between each node
388 within the social network. According to the case study, the firm who is close to other
389 firms, it has more creative assets. A higher degree of closeness centrality indicates that
390 a node has the shortest distance to other nodes and that the rest of the nodes are closely
391 positioned with one another, hence supporting Proposition 2a and Proposition 2b.

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

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

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

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

420 Second, in the emerging market context, local firms' strategic motives for ISA
421 formation are likely to be dynamic and contingent on a wide array of environment
422 factors such as the firms' competitive position, as well as the nature and intensity of
423 competition in the market. Consequently, a mere learning from and acquisition of
424 foreign partners' technological and managerial capabilities may not hold as the most
425 important strategic motives for developing-country firms over time. The findings of the
426 study suggest that the emerging firms are strongly motivated to form ISAs with foreign
427 firms in order to effectively compete with existing competitors and to maintain
428 competitive position in the market. Essentially, strategic alliances are being utilized as
429 competitive weapons in the battle for national and global market share. Given that
430 strategic motivation and partner selection standards differ across enterprises,
431 enterprises hailing from emerging economies must choose their partners according to
432 their own unique strategic motives.

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

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

446 A number of future research avenues are apparent. First, the findings demonstrate
447 that the strategic motives for alliance formation do exhibit patterns of relative
448 importance according to social network location and creative assets. However, the
449 reasons underlying this evolution of strategic motives for alliance formation are an
450 under-researched area. In particular, longitudinal studies that examine in-depth the
451 dynamics of strategic motives would shed light on the understanding of the way in
452 which the relative importance of strategic motives evolves over time, and how this
453 varies with the strategic contexts. Second, the potential overlap between task-related
454 and partner-related selection criteria, suggests that a greater clarification of task-related
455 and partner-related selection criteria based on contextual variables (e.g. culture of the
456 partners, industry of the partner firms and the nature of the ISA) would be useful, we
457 should extend this context by looking at different types of alliances (i.e. distinguish
458 between licensing agreements, R&D agreement, marketing alliances etc.) and different
459 types of control. Moreover, an explicit link between partner selection and performance
460 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

The authors would like to thank the editors and anonymous referees for their valuable comments and suggestions, which led to significant improvements in the paper. This work was supported by the National Natural Science Foundation of China under Grant Nos.71202054, the National Soft Science Research Project of China under Grant Nos.2013GXS4D120, and “the Fundamental Research Funds for the Central Universities.”

9、Reference

- [1] Hitt., M. A., Ahlstrom, D., Dacin, M. T., Levitas, E., & Svobodina, L. (2004). The institutional effects on strategic alliance partner selection in transition economies: China vs. Russia. *Organization Science*, 15(2), 173–185.
- [2] Luo, Y. D. (2002).Partnering with foreign business: Perspectives from Chinese firms. *Journal of Business Research*, 55, 481–493.
- [3]Yan, A. M., &Gray, B.(1994). Bargaining power, management control, and performance in United States–China joint ventures: A comparative case study. *Academy of Management Journal*, 37(6), 1478–1517.
- [4] Li, J. T., &Shenkar, O.(1996).In search of complementary assets: Cooperative strategies and knowledge seeking by prospective Chinese partners. In J. Child & Y. Lu (Eds.), *Management issues in China: International enterprises* (pp. 52–65), London: Rout ledge.
- [5]Li, J. T., &Shenkar, O.(1997). The perspectives of local partners: Strategic objectives and structure preferences of international cooperative ventures in China. In P.

489 W. Beamish, & J. P. Killing (Eds.), *Cooperative Strategies: Asian Pacific Perspectives*
490 (pp.300-322). San Francisco: New Lexington Press.

491 [6]Dacin, M. T., Hilt, M. A., & Levitas, E. (1997).Selecting partners for successful
492 international alliances: Examination of US and Korean firms. *Journal of World*
493 *Business*, 32(1), 3–16.

494 [7] Demirbag, M., Mirza, H., & Weir, D. T. H. (1995).The dynamics of foreign-local
495 joint venture formation and performance in Turkey and the role of industrial groups.
496 *Management International Review*, 35(special issue), 35–51.

497 [8] Tallman, S. B., &Shenkar, O. (1990). International cooperative venture strategies:
498 Outward investment and small firms from NICs. *Management International Review*, 30,
499 299–315.

500 [10] Yan, A. M., & Gray, B. (1994). Bargaining power, management control, and
501 performance in United States–China joint ventures: A comparative case study.
502 *Academy of Management Journal*, 37(6), 1478–1517.

503 [11]Arino, A. , Abramov , M. , Skorobogatykh I. , Rykounina , I. , & Vila , J. (1997)
504 Partner selection and trust building in West European–Russian joint ventures: A
505 Western perspective. *International Studies of Management and Organization* , 27(1) ,
506 19–37.

507 [12]Geringer, J. M. (1988). Joint venture partner selection: Strategies for developed
508 countries. Westport, Conn.: Quorum Books.

509 [13]Glaister, K. W. (1997). Strategic motives and selection criteria in international joint
510 ventures: Perspectives of UK firms and foreign firms. 24th Annual Conference of
511 Academy of International Business, Leeds University Business School, Vol. 1, 87–108.

512 [14] Dunning, J.H., (1995).Reappraising the eclectic paradigm in an age of alliance
513 capitalism. *Journal of international business studies*, 1995, third quarter: 461-491.

514 [15]Gupta A.K, V. Govindarajan. (2000).Knowledge Flows within Multinational
515 Corporations. *Strategic Management Journal*, 21, (4):473-496.

516 [16]Geringer, J. M. (1991). Strategic determinants of partner selection criteria in

517 international joint ventures. *Journal of International Business Studies*, 22(1) , 41–61.

518 [17] Hitt, M. A., Ahlstrom, D., Dacin, M. T., Levitas, E., & Svobodina, L. (2004). The
519 institutional effects on strategic alliance partner selection in transition economies:
520 China vs. Russia. *Organization Science*, 15(2) , 173–185.

521 [18] Beamish, P. W. (1987). Joint ventures in LDCs: Partner selection and performance.
522 *Management International Review*, 27, 23–37.

523 [19] Beamish, P. W. (1997). Improving joint venture performance through congruent
524 measures of success. In P. W. Beamish & J. P. Killing (Eds.), *Cooperative Strategies:
525 European Perspectives* (pp. 103–127). San Francisco: New Lexington Press.

526 [20] Pearson, M. M. (1991). Joint ventures in the People's Republic of China: The
527 control of foreign direct investment under socialism. Princeton, NJ: Princeton
528 University Press.

529 [21] Shenkar, O. (1990). International joint ventures' problems in China: Risks and
530 remedies. *Long Range Planning*, 23(3), 82–90.

531 [22] Glaister, K. W. & Wang, Y. (1993). UK joint ventures in China: Motivation and
532 partner selection. *Marketing Intelligence & Planning*, 11(2), 9–15.

533 [23] Teagarden, M.B. (1991). Sino-foreign strategic alliance types and related
534 operating characteristics. In O. Shenkar (Ed.), *Organization and Management in China:
535 1979– 1990*. London: Shape.

536 [24] Child, J., Boisot, M., Li, Z. X., Ireland, J., & Watts, J. (1990). The management of
537 equity joint ventures in China. Beijing: China-EC Management Institute.

538 [25] Harrigan, K. R. (1988). Strategic Alliances and Partner Asymmetries. *Management
539 International Review*, Special Issue: 53-72.

540 [26] M. Johnson, L. Meade & J. Rogers (1995). Partner selection in the agile
541 environment. 4th Annual Agility Forum Conference Pore, 1995.

542 [27] Cauley de la Sierra, M. (1994). Managing global alliances: Key steps for successful
543 collaboration. Addison-wesley, 1994.

544 [28]Williamson, O.E. (1979).Transaction-cost economics: The governance of
545 contractual relations. *Journal of Law and Economics*, 22, 3–61.

546 [29] Nahapiet, J. and Ghoshal, S. (1998).Social capital, intellectual capital, and the
547 organizational advantage, *Academy of Management Review*, 23(2), 241–266.

548 [30]Luo , Y. D. (2002).Partnering with foreign business: Perspectives from Chinese
549 firms. *Journal of Business Research*, 55: 481–493.

550 [31]Li Dong, K. W. Glistier (2006).Motives and partner selection criteria in
551 international strategic alliances: Perspectives of Chinese firms. *International Business*
552 *Review*, 15(2006), 577-600.

553 [32]Ibarra, H. (1993). Network centrality, power, and innovation involvement:
554 Determinants of technical and administrative roles. *Academy of Management Journal*,
555 vol. 36 no. 3 471-501.

556 [33]Tsai .W. (2001).Knowledge transfer in intra—organizational networks : Effects of
557 network position and absorptive capacity on business unit innovation and
558 performance . *Academy of Management Journal*, 44(5) : 996-1004 .

559 [34]Stem, W., and Elf ring, T (2008).Entrepreneurial Orientation and new venture
560 performance: The moderating role of intra- and extra industry social capital . *Academy*
561 *of Management Journal* (51):97-111 .

562 [35] Burt. R. S. Structural holes :The Social structure of competition .Cambridge .MA :
563 Harvard University Press, 1992 .

564

565