Comparing East Asian Multinationals in China: Challenges and Accomplishments

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1. Sociological Inquiry into "Localization" Problem

1) The Issue of Localization

/Important Aspects for Management

/Different Approaches from Different Disciplines

/Norm or Reality?: Necessity of Researches

2) Emerging China as a Market

/ Local Workers as a Indispensable Parts of Strategy

/ Japanese, Korean, and Taiwanese Companies in mainland China: Lack of Reliable Comparable Chronological Dataset

3) Key Concepts in the Research

/ Language and Communication: Different Strategies of Japanese Companies in East Asia and America

/ Social Capital and Trust

/ Evaluation toward Companies

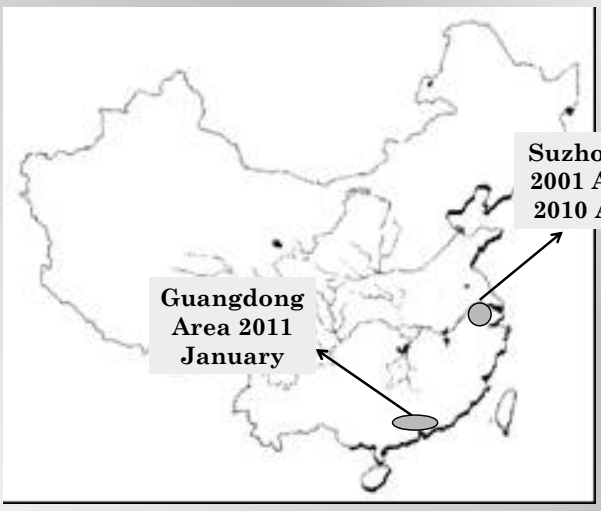
2. Research Design and Data Collection

1) Two Projects

/"Cross-border Businessmen in East Asia: Comparative Analysis of Image Formation toward Business Partners"

(FY 2000-2002, JSPS Project)

/"Coping with 'China': Comparative Sociological Analysis of Localization Process of Korean, Taiwanese, and Japanese Companies in China" (FY 2009-2012, JSPS Project)


Suzhou Area
2001 August,
2010 August
Guangdong
Area 2011
January

DWS

/ Members

< Japan: University of Tokyo (Prof. Shigeto Sonoda, Prof. Yasuyuki Kishi)

< Korea: Hallym University (Prof. Joon-shik Park, Prof. Hon-guen Chang)

< Taiwan: Soochow University (Prof. Chia-ming Chang, Prof. Jian-bang Chang)

< China: Dalian Institute of Technology (Prof. Minghao Fang)

2) Questionnaire Survey of Foreign Expatriates

/ Sampling Method: Convenience Sampling (Expatriates of Target Companies + Snowball Sampling) + Systematic Sampling (Mail Survey)

/ Number of Cases

		Country			
		Korea	Taiwan	Japan	
Timing of Research	2001_Suzhou/ Jiangsu	29	18	71	118
	2010_Suzhou/ Jiangsu	122	99	89	310
	2010_Guangdong	70	66	59	195
	2010_Total	192	165	148	505

3) Questionnaire Survey of Local Workers

/ Sampling Method: Convenience Sampling in Target Companies

/ Number of Cases

		Country			
		Korea	Taiwan	Japan	
Timing of Research	2001_Suzhou	96	104	152	352
	2010_Suzhou	53	161	164	378
	2010_Guangdong	127	36	147	310
	2010_Total	180	197	311	688

4) Visiting Multinationals in mainland China

/ Interviewing with Expatriates about their Localization Strategy

/ Observation of the Companies

/ Number of Cases

		Country			
		Korea	Taiwan	Japan	
Timing of Research	2001_Suzhou	3	3	3	9
	2010_Suzhou	1	5	3	8
	2010_Guangdong	4	1	3	8
	2010_Total	5	6	6	16

5) Questionnaire Survey of Headquarters in Korea and Japan (2012)
/ Sampling Method: On-line Survey with Allocation (Korea), Exhaustive Survey of Member Companies of Japan-China Economic Association
/ Number of Cases

		Type of Industry				Total
		Manufacturing	Trade / Commerce	Service	Others	
country	Korea	77	9	11	12	109
	Japan	58	16	18	8	100
Total		135	25	29	20	209

3. Some Research Findings

1) Different Age Cohort of Expatriates and Different Background (Figure 1)
2) Necessity of Interpretation as an Indicator of "Direct Control" of Local Subsidiaries (Figure 2)
3) Social Capital and Local Management in China: Why Korean Expatriates Have Such an Extensive Social Capital? (Figure 3)
4) 4) Different Localization Policies between Korean and Japanese Multinationals (Figure 4)

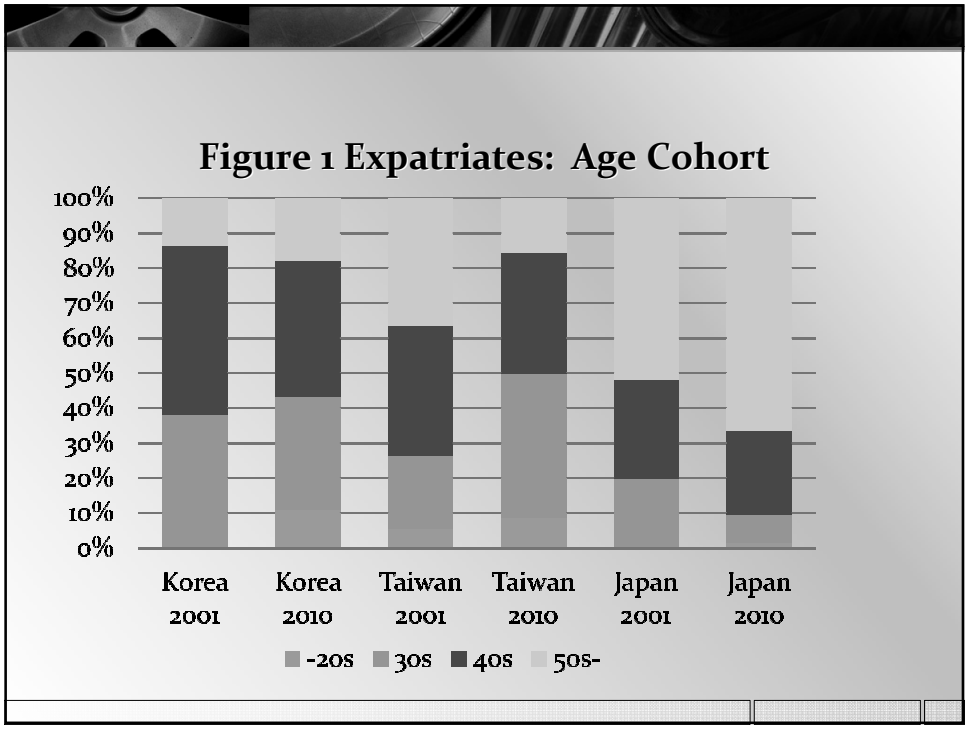


Figure 1 Expatriates: Age Cohort
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Korea 2001
Korea 2010
Taiwan 2001
Taiwan 2010
Japan 2001
Japan 2010
-20s
30s
40s
50s-

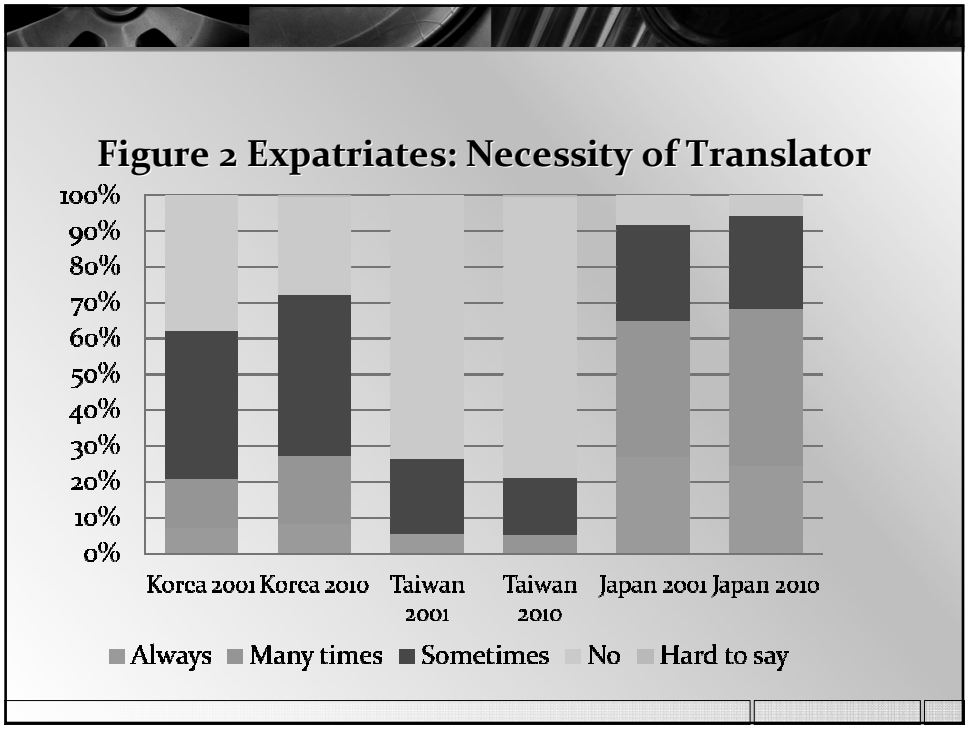


Figure 2 Expatriates: Necessity of Translator
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Korea 2001
Korea 2010
Taiwan 2001
Taiwan 2010
Japan 2001
Japan 2010
Always
Many times
Sometimes
No
Hard to say

Figure 3 Social Capital of Expatriates in East Asian Multinationals

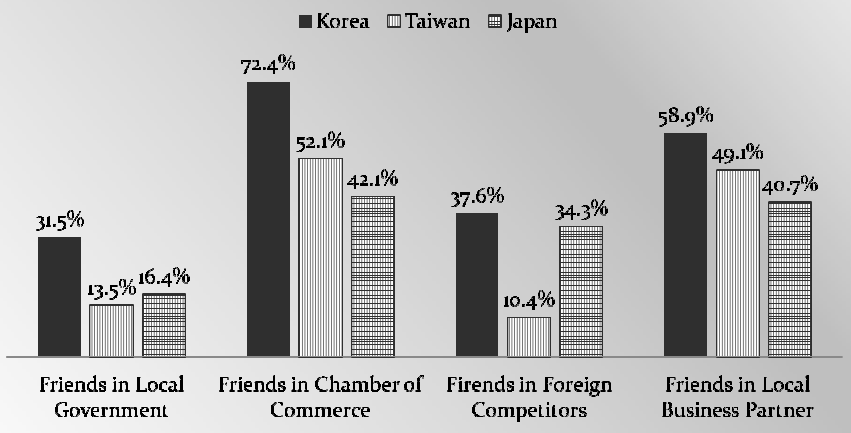
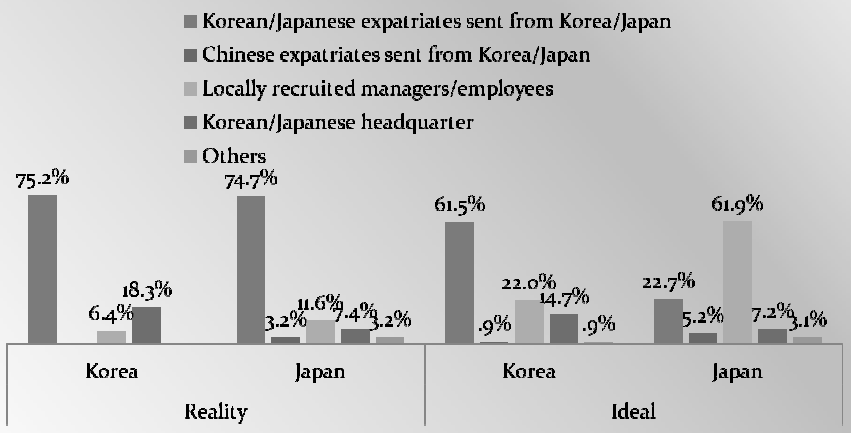


Figure 4 Ideal and Reality of Local Management of Korean and Japanese Subsidiaries in China



4. Methodological Reflections

1) "Triangulation" Method: Its Ideal and Reality
2) Research as a Fact Finding Process
3) Difficulty of Comparative Transnational Studies: Who's Research Interest for What?
4) Importance and Difficulty of Conducting Panel Research