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Collaborative research compares business pace with performance on a global scale

Identifying factors that lead to success in rapidly emerging markets offers insight and direction to multinational companies. Thanks to the collaborative research efforts between scholars at OU's School of Business Administration and Hohai University in Nanjing, China, companies across the globe may soon have answers to the questions: What factors guide companies toward rapid foreign expansion? And, does fast-paced growth lead to business success or negatively impact corporate performance?

Research Scholar Yuan Ding, of the Strategic Management Institute, Hohai University in Nanjing, China, came to Oakland University to explore those questions. Once there, he discovered a team of like-minded and equally curious SBA professors ready to collaborate.

What the team discovered will support future academic research and assist corporations in evaluating expansion strategies.



**Ravi Parameswaran, Yuan Ding,
and Joi Jiang**

As a visiting scholar, Ding worked with Joy Jiang, assistant professor, management, and Ravi Parameswaran, chair, management and marketing, with input from Xiaodong Deng, associate professor, MIS. The team combined insights from field interviews with survey study results to develop hypotheses related to rapid expansion among multinational corporations (MNCs) in China.

"The two-stage study shows that, internally, investment goals and resource commitment will increase a company's pace of expansion; while, externally, growing market demand will push firms to expand fast in the foreign market," explains Jiang. "In addition, our research concluded that a faster pace of expansion is positively associated with a firm's performance in the emerging market."

The results reflected the positive aspects of the cross-disciplinary global collaboration.

"The professors at OU's SBA have advantages in theoretical analysis and data mining, while we at Hohai have advantages in survey and data collection. These findings promote my institute's research, which is focused on MNCs strategy in China," Ding says. "From a personal aspect, the collaboration taught me many things about research methods and theory analysis."

Ding was motivated to visit OU after being impressed with Professor Jiang's "profound knowledge and great talent" when she made an earlier faculty exchange visit to China. "Yuan Ding's visit expanded on our collaboration," Jiang says. "The Hohai team brought first-hand experience to the project and helped with data collection in China."

The team's refined body of research will not only benefit academia, but should have an impact on global business.

"The study results show MNCs must evaluate both external environment and internal resources when formulating an expansion strategy. Also, in a high-growth market like China, it pays to move fast. This should be a useful lesson for U.S. companies," Jiang says.

"China is a key emerging market, but that does not guarantee success," Ding adds. "Many companies experience great success in our country while others fail. Our collaboration will facilitate research on factors that lead to success in such a rapidly growing market."

The professors jointly submitted their findings to the International Association for Chinese Management Research. Once peer reviews are completed, the team hopes to publish the paper in the Journal of Business Research. In the future, the team may again collaborate on related case studies involving the auto industry.

SUMMARY

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