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Using social networks and Guanxi in case study research on Australian firms doing business in China

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ABSTRACT

This paper describes the application of Social Networking Theory (SNT) and guanxi to assist in the acceptance of participants for case study research. The research project method was developed for inductive research into the factors influencing Australian firms doing business in China. Case study research frequently encounters both active and passive participation resistance and non-response, especially when senior staff (CEO or Executive level managers) participation is required, which is why SNT and guanxi were incorporated into the participant recruitment. The process utilised social networks to establish shared understanding, mutual trust and facilitate the exchange of anecdotes, all of which increased the participation acceptance rate. This process increased the organisational participation acceptance rate for a given population by 400%.

Keywords: Qualitative Interview Recruitment, Social Networking Theory, Guanxi.

1.0 INTRODUCTION

Research into a large-scale business development phenomenon such as internationalisation often encounters initial participant resistance (Beaunae, Wu, & Koro-Ljungberg, 2011), which makes it difficult to achieve good response rates and balanced respondent profiles. This is often due to the confidential nature of the event being investigated, uncertainty about the details of the event (event recordkeeping is frequently less thorough than routine recordkeeping), and because the participants most equipped to represent the organisation are usually senior and, consequently, time poor. In addition, potential research participants of this type are likely to decline an interview request from an unknown researcher. Social Networking Theory (SNT) can be used to improve participant acceptance rates. In the case of research on Australian businesses operating in China, the Chinese concept of ‘guanxi’ can also be incorporated to further improve participant recruitment. These methods should be applicable to improving acceptance rates in a range of other contexts, including research in international marketing and business. The objective of this paper is to ‘demonstrate how social networking and guanxi can assist with recruiting suitable research participants’. Connections between SNT and guanxi will also be considered in the context of inductive research participant recruitment.

2.0 SOCIAL NETWORK THEORY AND GUANXI

SNT explains how relationships form in the context of active self-organising communities. Recent studies have advocated SNT as a framework for understanding behaviours within social and business organisations (Barabási, 2002; Buchanan, 2002; Watts, 2003). SNT is becoming increasingly important for business in areas such as partnerships and so it is logical that SNT may be a useful research method tool. One of the key features of social networks is that they are important mechanisms for accessing critical personal resources, such as knowledge (BarNir & Smith, 2002). Frequently, these resources are the subject of inductive research. A social network can be defined as ‘formal and informal connections’, which ‘can extend across professional ties, to include friends, former classmates, co-workers, organizations, associations, as well as regions, nations or cultural groups’ (Barabási & Smith, 2006, p. 83). SNT is based on the concept that social networks are made up of strong- and weak-ties with other actors (Granovetter, 1973). Strong ties involve clusters of individuals with whom an individual has regular and direct contact. They may be close contacts, family, friends, or co-workers. Barabási (2002) notes that groups of individuals joined by strong ties usually have a similar social and economic status. They are usually in regular communication with one another and are likely to share similar values, beliefs and morals. Strong ties are central to the creation of effective social networks by introducing reliable and trustworthy relationships. As the strength and characteristics of ties vary between individuals, strong, socially-constructed rules on issues such as dealing with friends, family and co-workers, provide consistency within social groups. Frequently, these rules contain the dimensions of truthfulness, loyalty and commitment.
Weak ties are nodes in social networks that extend beyond connections such as immediate friends and family. They are often created by random factors and usually connect the individual to entirely separate social groups. Barabási (2002, p. 43) noted that, ‘weak ties play a critical role in our ability to communicate with the outside world’. Granovetter (1973) argued that weak ties generate the new paths of influence, activity and innovation that allow us to expand our influence and information channels. This is important because, from an information perspective, the actors connected by strong ties will tend to possess similar information because of their frequent communication and shared beliefs. Weak ties provide access to new social networks (Granovetter, 1973), making them very important tools for data collection. For this reason, weak ties were the primary mechanism for connecting with potential participants as part of the method presented in this paper.

The concept of ‘guanxi’ is a key Chinese cultural value which comprises ties, relationships, networks, and the development of trust within those relationships (Wang, Zhang, & Goodfellow, 1998). It facilitates useful connections to networks of family, friends and associates. Guanxi is a form of SNT which also defines the individual’s place in the social network and determines security of position within the network, their trustworthiness and prescribed role (Hammond & Glenn, 2007). An individual possessing guanxi relevant to a particular situation can draw on their connections to gain a competitive advantage, or as Bell (2000, p. 132) suggests, access a ‘network of assistance’. For example, facilitation of exportation and importation to and from Australia is a complicated process requiring an intimate knowledge of the process and departments involved – and good connections with the decision-makers in those departments. An exportation/importation agent with good connections can assist the expedition of importation and exportation to a greater extent than an agent not possessing those connections. As a result, their connections provide them with a competitive advantage and they can charge higher fees. Guanxi can speed up formal transactions and the completion of regulatory obligations to allow organisations to take advantage of short-term opportunities (Linong, 2006). Guanxi requires the development and maintenance of an intimate and pervasive relational network in which network members energetically, subtly, and imaginatively engage (Hammond & Glenn, 2007).

Guanxi is more than a network of connections, it can be considered to be a business (and research) ‘mechanism by which individuals are able to achieve personal, family, or business objectives’ (Bell, 2000, p. 132). Each link in a Chinese person’s guanxi is defined in terms of a dyadic social tie or wang (Bell, 2000). The use of the term guanxi wang for such a network indicates that guanxi has tangible dimensions rather than just being a network. Graham and Lam (2003) argue that guanxi also incorporates reciprocity. For example, favour entitlement is retained in perpetuity and is transferable, which confirms its tangible nature. Guanxi also incorporates controls, which maintains the effectiveness of the network. For example, if favours are not returned, social status is reduced (mianzi). The transferability of favours is one of the control mechanisms by which these social networks are able to expand and is an important differentiator between guanxi and other social networks.

Developing guanxi requires time, financial and personal investment (Linong, 2006). Valuable guanxi can take years to establish. The staff time and expenses (e.g., travel) associated with establishing and maintaining guanxi networks can be significant. The personal investment of making a commitment to maintain the established relationships can also be a significant undertaking. Thus, guanxi meets the criteria for a strategic resource - valuable, rare, difficult to imitate and able to be leveraged for a competitive advantage (Grant, Butler, Hung, & Orr, 2011), and can be considered to be a valuable strategic resource. The value of guanxi has already been established. An established guanxi network effectively precludes the establishment of a competitive network involving any of the same actors. This makes guanxi networks in any industry segment relatively rare. The process of building guanxi involves activities including gifts, charity, donations, and forms of financial support, which makes it difficult/costly to imitate. As a very practical and flexible tool, it provides a competitive advantage wherever it is relevant – even in the recruitment of interview participants.

The systematic and strategic resource nature of guanxi means that it has some similarities to Western business network and relationship mechanisms. One example is relationship marketing theory; a theory about the process of creating and maintaining relationships with business stakeholders (Björksten & Hagglund, 2010). In both this theory and in guanxi, ‘who you know, not what you know’ is
more important as networks and relationships enable network members to secure favours. There is, however, a difference in favours and behaviours permissible within the two types of networks. In western networks, outward displays of favours to connections or family members would be considered to be nepotism and are generally not permissible. There are some exceptions to this, however, such as recruiting relatives of existing employees as a recruitment strategy. Making payments to officials and preferentially awarding contracts to friends, network members or family members is not permissible in western networks and most Western cultures, however, they are permissible under guanxi where the correct network connections exist.

These findings suggest that both SNT and guanxi are valuable empirical research tools because, as Bartholomew and Smith (2006) noted, the research process is a form of information exchange between the researcher and participant. For example, a participant manager may complete a survey to exert influence over and in exchange for a report of the findings. For the influence to occur there needs to be an element of trust. Trust can be increased by developing a relationship with a potential participant. Professional, trade, regional and social networks improve response rates by creating the trust necessary for managers to agree to participate (Bartholomew & Smith, 2006; Tomaskovic-Devey, Leiter, & Thompson, 1994). Therefore, the concept of an endorsement will also be influential, as it can be used to improve the credibility of the message. Increased credibility resulting from endorsement increases respondent participation acceptance rates (Bartholomew & Smith, 2006; Rochford & Venable, 1995). For credibility to be increased, the endorser must be perceived to possess legitimate, credible, attractive, appropriate and powerful features relevant to the conditions. These endorsements can be either external or internal; in this paper we will focus on external endorsements. External endorsement can be derived from the research organisation, as well as third parties, such as social networks and associations (Cycyota & Harrison, 2002). In the case of research in China, guanxi, as well as SNT should be important tools for increasing participant acceptance rates. Table 1 provides a summary of the key predictions of SNT and guanxi.

Table 1: Key Characteristics of SNT and Guanxi for Attracting Research Participants

<table>
<thead>
<tr>
<th>Features</th>
<th>Social Networking Theory</th>
<th>Guanxi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>Ability to access critical resources</td>
<td>Draw on connections to secure favours and network of assistance</td>
</tr>
<tr>
<td>Involves</td>
<td>Formal and informal connections, professional ties, friends, classmates, co-workers, organisations, associations, regions, strong ties (family, friends &amp; co-workers) and weak ties (individuals beyond strong ties)</td>
<td>Ties, relationships, networks, connections. Individuals' roles in the social structure (i.e., husband &amp; wife, father &amp; son)</td>
</tr>
<tr>
<td>Trust is developed</td>
<td>Through membership in groups, strong ties and weak ties, endorsement through social networks.</td>
<td>Through time, gifts, friendship, eating together, money, bribery, membership in groups, family, school and work.</td>
</tr>
<tr>
<td>Trust results in</td>
<td>Exchanges and favours, weak ties can generate new paths of influence, innovation &amp; activity</td>
<td>Continued exchange, favours, introduction to other guanxi</td>
</tr>
<tr>
<td>Transferability</td>
<td>Ties are transferable</td>
<td>Guanxi is transferable, if A &amp; B and B &amp; C know each other, A &amp; C, will also come to know each other.</td>
</tr>
</tbody>
</table>
3.0 PRACTICAL APPLICATIONS IN PLANNING & CONDUCTING FIELD WORK

Planning for recruiting interview participants requires a number of considerations, which include identifying the selection criteria for participants and the interview site (a place, organisation or service used by members of the population of interest), gaining the approval of and participants suggestions from the interview site, and identifying how many participants are required for each category of participant under consideration (Acury & Quandt, 1999, p. 129). The criteria selected for participants in this project were: (1) being involved in either the operations or the establishment of the China business activity, and (2) were they sufficiently senior to understand the objective of the internationalisation event in the broader context of the organisation. These criteria resulted in the need for a senior organisational representative in most cases.

An industry association (described in the section Data Collection Method) was chosen as the interview site for this research. Location is also a key feature of the interview site selection. China would have been a preferable location for this research; however, the interview site management team was able to suggest suitable Melbourne-based participants who regularly travelled to China. As the researchers were located in Melbourne, this location choice offered a substantial cost advantage. Selecting a suitable interview site was a major reason why the interviews could be conducted in Melbourne. After the participants were selected, it was necessary to conduct only one interview outside of Melbourne. As the study was inductive, it was important that a cross-industry perspective was incorporated to improve the internal validation of the results (Sheu & Lee, 2011). A cross-industry study also provides different disciplinary perspectives on the phenomenon, which improves the representativeness of the findings (Terho, 2009). A review of the literature indicated that three industries (manufacturing, service and finance) were the Australian industries particularly active in China.

In addition to Acury and Quandt’s (1999) criteria, research based on perceptual and subjective (interview) data requires sound competencies in interviewing and qualitative analysis (Yin, 2009). The data collection and analysis capacity of the research team made it possible to achieve sufficient depth in the interviews and improve internal validity by ensuring that the full interviews contained common points of reference. Table 2 indicates the experience and skills of the researchers.

4.0 OBJECTIVES OF THIS PAPER

The objective of this paper is to demonstrate how to improve interview participant acceptance rates using techniques based on social networks and guanxi. The effectiveness of this approach will be demonstrated by describing its impact on research participant recruitment for a study of Australian firms doing business in China. Research participants were Australian organisations with business activities in China. The data collected addressed the participant’s approach to assessing the Chinese market and industry

<table>
<thead>
<tr>
<th>Table 1: Key Characteristics of SNT and Guanxi for Attracting Research Participants</th>
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<tbody>
<tr>
<td><strong>Researcher 1</strong></td>
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<tr>
<td>Training</td>
</tr>
<tr>
<td>Experience</td>
</tr>
</tbody>
</table>
conditions, the entry approaches they adopted and the level of success that resulted. The purpose of the research was to determine whether the Uppsala model of internationalisation theory (Johanson & Vahlne, 1977; Johanson & Wiedersheim-Paul, 1975) and network models (Johanson & Vahlne, 2009) adequately explained entry mode decisions into China. The research question being investigated in the research project was, "to what extent can internationalisation theory explain the entry mode decisions of Australian companies internationalising to China?"

The phenomenon of internationalisation and entry mode choice to China can be described as a long-term event as the decision-making process can involve lengthy time periods. Internationalisation theory is reasonably well developed. Some of it, however, is based substantially on data from fully developed economies, including the rejection of the Uppsala model. The paucity of the literature examining this model in the context of major developing economies such as China, along with the changing nature of globalisation (which was different when the Uppsala model was rejected) makes it important to re-examine and refine such theory developments (Welch, Plekkari, Plakoyiannaki, & Paavilainen-Mantymaki, 2011).

To examine the explanatory power of this theory in the context of China and refine it (and other potential theories), it was necessary to undertake abductive (both inductive and deductive) research in order to identify the constructs most likely to explain the phenomenon and allow new constructs to emerge (Hyde, 2000). New constructs would be identified by the inductive component. The deductive component was aimed at confirming the validity of existing constructs for internationalisation, including learning, experiential knowledge, incremental steps, social networks, proactivity and motivation.

A structured interview protocol was prepared for interviews with managers of Australian companies who were involved in business in China. The interview protocol was designed to provide sufficient critical examination of the constructs around the theory being examined, whilst allowing sufficient flexibility to accommodate the different approaches taken by each participant in order to identify potential new constructs. It was expected that the data would include inconsistent approaches (Stephan, Murmann, Boeker, & Goodstein, 2003), which necessitated the degree of flexibility in the design. The participants were unable to provide much documented data, however, because of their status in the organisation and familiarity with the internationalisation process, they were able to provide very specific observations and numerical data (such as dates) of the internationalisation decision and process. The clarity of their observations reflected the significance to their companies of internationalising to China and the difficulties that they experienced. Several papers have been prepared (Chung & Menzies, 2010; Menzies & Orr, 2010) which analysed and interpreted the key findings from this research.

5.0 QUALITATIVE RESEARCH & CASE STUDIES

Qualitative research is frequently in-depth, exploratory, experience-based, interpretive and subjective, and refers to research methods that describe and explain persons’ experiences, behaviours, interactions and social contexts (Fossey, Harvey, McDermott, & Davidson, 2002). Qualitative research often also asks the ‘how’, ‘why’ and ‘when’ questions (Yin, 2009), and deals with the operational links between constructs. Qualitative research is also suited to deductive research (Creswell, 2007) when research considers new, undeveloped, or complex events which vary in mode and outcome between participants. Yin (2009) and Fossey (et al. 2002) argue that good qualitative research occurs where the research participant's subjective meaning, actions and social contexts can be illuminated by the research.

Case study research is one variant of qualitative research; it excels in aiding the understanding of a complex issue and can extend depth to deductive research results. Case studies incorporate detailed contextual analysis of a limited number of events or conditions and their relationships (Yin, 2009). In this project, the interview transcripts were augmented with documentary evidence provided by the participants and then reviewed by the participants for accuracy before being finalised, so can be considered to represent informal case studies. Yin (2009, p. 6) defines the case study research method as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used". Yin (2009) also suggests that research design must ensure that the data collected possesses construct validity, internal validity, external validity, and reliability (Yin, 2009).
6.0 DATA COLLECTION METHOD
As has been established, it was necessary to conduct in-depth qualitative interviews with senior managers of Australian firms who were personally involved with, or knew about their business's activities in China. The data collected needed to facilitate abductive research. The interview protocol incorporated sufficient flexibility to enable the interviewees to describe the event without experiencing the influence of the theoretical frameworks being examined. The interview protocol also contained sufficient structure to ensure common reference points throughout, to ensure internal validity; contained sufficient structure to create construct validity; and provided for deductive testing of constructs in the internationalisation literature.

The Australia China Business Council (ACBC) was selected as the interview site and approached by a member of the research team with strong ties to this institution so as to form a network with the foundation of strong ties (Granovetter, 1973). These strong ties had resulted from the researcher's prior involvement with council activities and the establishment of guanxi with this institution's members. The council was asked to provide in-kind support for the project, which was granted and included access to the council membership list for the purposes of selecting potential interview participants. The researchers were also invited to attend networking events to enable them to establish new weak ties and strengthen existing weak ties. The council also provided general background information on the membership which facilitated the interview participant selection.

Initially, the entire membership list was sent a personalised letter attached to an e-mail describing the project, what was expected of participants, the planned outcomes, the data security and ethical protocols that had been put in place. The correspondence noted that the ACBC and the researcher's university supported the study and mentioned all the researchers' names.

The personalised letter approach resulted in eight participants replying to the email and agreeing to take part in the research. Standard techniques were then utilised to improve the participation rate, which included repeat emails and phone follow-ups, which resulted in a further 18 organisations agreeing to participate. It had been decided that the data should represent the experiences of three industries (to achieve external validity); the minimum number of participant organisations had been set at 40. This number was required to ensure sufficient responses for each industry group for internal validation, and thematic analysis for each group.

To achieve the target of 40 participant organisations, an alternative approach to gaining participant approval was required. This led to the adoption of SNT techniques for the participant selection and approval granting process. This process needed to be non-discriminatory, non-bias generating (in terms of the type of companies that participated) and encourage senior staff participation. It was believed that the use of strong and weak ties would meet these criteria.

The researchers commenced building social networks by attending ACBC events. This led to the development of Researcher 1 and Researcher 2's strong and weak ties through Researcher 3's strong and weak ties. Weak ties with potential participants where no prior connections existed were also created at the ACBC events. Researchers 1 & 3 attended three ACBC events over a two-month period for this purpose. This process also allowed the researchers to assess more thoroughly the suitability of potential participants than the information provided by the ACBC allowed. This assessment was based on information from potential participants regarding their business, industry, and the nature of the operations that they had established in China. Participants who were found to be suitable were then asked to participate in the research. Reflecting the Chinese concept of face (mianzi), the potential participants were less likely to decline if asked face-to-face. This process was, therefore, found to improve the acceptance rate of research participants.

Once the research subjects had agreed to participate, business cards were exchanged, potential dates and times were negotiated, and the basis of future contact was established. This process resulted in five more participants being recruited.

The research team also used their ties independently to identify and recruit participants outside of the ACBC network. In this instance, weak ties were used to connect with new potential participants and other weak ties used to convert them to strong ties. Where no ties existed, the research team member’s strong ties were utilised to develop new ties to access the correct participants and encourage them to participate in the research. For example, in one case,
a researcher's strong tie network member introduced another network member to which they had a strong tie. This network member then introduced the researcher to another network member to which they had a strong tie, and who was the most suitable person to report on that company's business activity in China. This method was successful in recruiting a further seven members.

A further two participants were also recruited using the snowball method (Burgess, 1987). At the end of each research interview, participants were asked if they were able to identify any other individuals who could participate in the research. Table 3 provides a summary of the different ways in which participants were recruited for the study.

**Table 3: Recruitment Methods**

<table>
<thead>
<tr>
<th>Recruitment Method</th>
<th>Number of Interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Email &amp; Letter</td>
<td>8</td>
</tr>
<tr>
<td>Repeat Email &amp; Letter</td>
<td>11</td>
</tr>
<tr>
<td>Repeat Email, Letter &amp; Phone Follow-up</td>
<td>7</td>
</tr>
<tr>
<td>Repeat Email, Letter &amp; Event Attendance</td>
<td>3</td>
</tr>
<tr>
<td>Event Attendance</td>
<td>2</td>
</tr>
<tr>
<td>Research Team Member’s Ties</td>
<td>7</td>
</tr>
<tr>
<td>Snowballing</td>
<td>2</td>
</tr>
</tbody>
</table>

**6.1 PARTICIPANT NEGOTIATION PROCESSES**

In most cases, negotiation was a significant component of the joint agreement between the research team and the participants involved in the study. As predicted by the literature, the participants were initially resistant, being concerned that the personal return to them did not justify the time commitment, even though participants were offered a report based on the findings of the study. Some of the negotiations between the researchers and participants occurred whilst taking participants out to meals, at their request. These activities assisted the researchers in developing a relationship with the participant, and were considered a gift by the participant; the participant's participation in the research was then a reciprocation of that gift. These exchanges were very comparable to the process of guanxi development, for example, which suggests developing the relationship first and transactions second.

Some of the other common paths for securing interview commitments included initial meetings with network members who did not end up being participants in the final research. In some cases, network members who initially expressed interest in the subject matter did not consider themselves to be able to comment adequately on the event and did not wish to participate in the research, but recommended other potential participants. In this case, the network members would undertake to negotiate with other network members in the company to convince them to participate in the project as a representative of the organisation. This usually involved appealing to the superior knowledge possessed by the individual invited to participate.

This approach resulted in a high degree of expected reciprocation as a shared understanding of both parties. The participants exchanged their time for future feedback regarding the outcomes of the project (which they could use to inform further internationalisation decisions). The researchers developed a sense of obligation to provide useful feedback to the research participants in exchange for the time they made available for the project. In addition, the research report became a tangible representation of the guanxi attached to the agreement to participate.

These negotiations generated dialogue with representatives of the organisation and resulted in a formal organisation-level acceptance of participation and the ultimate identification of participants to represent the organisation. During this negotiation process, the company representatives (who had developed strong ties with the research team) were provided with an explanatory statement, an informed consent form and the interview protocol. These documents assisted the representatives to identify the most appropriate interview participants within their organisation (more than one interviewee per organisation frequently participated in the data collection so that a complete perspective was provided). It also assisted the participant to prepare answers to the questions, which was particularly important where the participant drew on others in the organisation to fully respond to the questions.
Negotiation does result in a result bias, however, the bias introduced is normally minimal in the social sciences because the participants report upon business activities which were then abstracted and objectivised by the researchers (Witz & Sung Ah, 2011). Floress, Prokopy, & Alfred (2011) suggested that the use of networks (and guanxi), does generate a social response bias. The thematic analysis of the data in this research determined that it did not create a professional or disciplinary bias. As a technique for interview participant recruitment, it proved to have the characteristics of broad reach, inclusivity and minimised discrimination against particular participant groups. It was, therefore, found to be suitable for qualitative data collection, although it may be less suitable for quantitative data collection. When interviewing participants about complex issues, such as internationalisation decisions, a researcher may need to develop a relationship with the interviewee to ensure construct validity. Recruiting participants through a network is the first step in building such relationships.

7.0 DATA COLLECTION AND ANALYSIS OUTCOMES

Once there was an agreement for an interview to take place with an appropriate participant, the structured interview protocol was distributed to the participant via email, an interview was scheduled and the data collected. Having laid the groundwork for informative interviews when negotiating the final participants from the organisation, the interviews were found to produce rich data, which were strongly focussed on the issues being investigated by the interview protocol. At the time of data collection, any available secondary data were also collected, and a transcript of the interview describing the internationalisation event was prepared. Once the case studies were completed they were content-analysed using the software NVivo 8, which allows qualitative information to be coded. This system allows the data to be interrogated to establish and define themes, once the data has been tagged using a hierarchy of pre-identified and post hoc independent constructs.

7.1 ASSESSMENT OF DATA QUALITY

The interviews totalled 281,487 words, indicating that the cases were an in-depth investigation of the topic. The average interview length was 6,702 words. The shortest interview was 1,451 words and the longest interview was 13,085 words.

7.1.1 SUITABILITY OF PARTICIPANTS

Forty interviewees were found to be suitable for inclusion in this study (a total of 43 people were interviewed). Three participants were less suitable and provided a significantly smaller amount of information than the remaining participants. One less suitable participant had only been in a role managing operations in China for four months, prior to the interview. Another less suitable participant was the deputy CEO of a large financial institution and had a broad, but only general knowledge of their Chinese operations. This interview was complemented by a second interview from the same organisation. The third less suitable participant had knowledge of only one area of the company’s international operations in China, and not a complete perspective. The suitable interviewees were mainly CEOs, Managing Directors or founders of the company, who had either set up the company as a whole or had set up the China operations – and so were extremely suitable participants. The remaining suitable participants were managers who had either set up the China operations or who had an international role, where most of their activities focused on China. Ensuring that the participants were highly knowledgeable about the phenomenon was a major contributor to the quality of the data collected.

The NVivo data analysis produced a total of 271 nodes; 23 were heading nodes and 248 nodes were sub-nodes or themes. Examples of heading nodes were ‘culture’ and ‘politics’, and examples of sub-nodes were ‘behavioural differences in business’ or ‘Chinese government assistance in setting up business’.

7.2 ASSESSMENT OF DATA CONSISTENCY

The consistency of the data has been considered from the perspective of construct validity, internal validity, external validity and reliability.

7.2.1 CONSTRUCT VALIDITY

Yin (2009) summarises construct validity using the question, “did you measure what you said you were going to measure?” To ensure construct validity, case study research can incorporate multiple data sources for each case, establish a chain of evidence in the data through thematic analysis, and allow the participants to review a case study report. The method adopted utilised multiple data sources, including printed materials and more than one participant,
where possible. NVivo was used to conduct the thematic analysis to establish chains of evidence and the interview transcripts were returned to participants for approval and correction.

7.2.2 INTERNAL VALIDITY

Internal validity is an important measure of data quality for explanatory case studies, which explores the reasons and mechanisms for causes and effects. It is particularly concerned with the establishment of causality. Pattern matching and explanation building, using rival explanations and logic models, are useful approaches for establishing causality (Yin, 2009). Extremely high consistencies in simple measures, such as the understanding of key terms (for example, 'wholly owned subsidiaries'), were identified. The data were externally validated by comparison with the Uppsala internationalisation model, services internationalisation and network theory. Table 4 below provides a summary of the theories for which the themes resulting from the data were externally validated.

Table 4: Level of support for theory provided by thematic analysis of data

<table>
<thead>
<tr>
<th>Theory</th>
<th>Level of Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uppsala Internationalisation Model</td>
<td>Full</td>
</tr>
<tr>
<td>Service Internationalisation</td>
<td>Full</td>
</tr>
<tr>
<td>Network Theory</td>
<td>Full</td>
</tr>
</tbody>
</table>

7.2.3 EXTERNAL VALIDITY

External validity in case study research is an indicator of whether the case study data can be generalised to other organisations through a broader theory. Case studies rely on analytical generalisation and single cases are a poor basis for generalising, although multiple case studies are better. Case study generalisation should be demonstrated though replicating the findings, under conditions where the theory predicts that they should recur. This could include cases that share the same contextual conditions (Yin, 2009). Where replication exists, the findings can be generalised to other cases that share the same contextual conditions (Sheu & Lee, 2011). The necessary conditions for generalisability were incorporated in this research design through the use of multi-industry data, as suggested by Yin (2009). A cross-industry study also provides different disciplinary perspectives on the phenomenon, which improves the representativeness of the findings (Tarho, 2009).

7.2.4 RELIABILITY

Research outcomes that can be reproduced in another study utilising the same methods are reliable (Yin, 2009). Reliable qualitative data collection results from the design of methodologies, which minimises errors and bias and utilises a systematic protocol. The method for this project was systematic; the first stage involved contacting the entire list of the ACBC via email, with a follow-up e-mail and then a follow-up phone call. The second stage involved the use of social networks and snowballing to recruit participants. This recruitment method minimised errors and bias by focussing on attracting the most informed participants with the broadest view possible (e.g., Managing Directors and executive level staff). The interview protocol is available from the authors on request.

8.0 DISCUSSION

The findings above indicate that trade association endorsement, SNT and guanxi are the foundations for the design of interview recruitment processes where interviewee resistance is high and where the research requires senior staff perspectives. The management of the participant committal process as a network relationship and guanxi application established sufficient trust and created a basis for mutual understanding. This was found to result in a shared belief that the information exchange would be sufficiently confidential and valuable for both researchers and participants. The application of this process transformed the participation rate, from eight participants who responded to our initial emails, to 43 participants of which only three were not able to contribute highly valuable data (and who then brought in other staff to contribute). The quality of the data gained from this process was very high, providing details of highly specified data, which enabled a large number of themes to be identified, satisfactory levels of internal validity and high levels of construct and external validity. The robustness of the process was high as a result of the systematic and repeatable nature of the interviewee selection and data collection process.

The need to adopt this participant selection and negotiation process reflects several important characteristics for business events such as
internationalisation; the participants’ desire for high levels of confidentiality; a need for shared language and perspectives; and a lack of documented evidence regarding the event requiring senior staff (staff possessing a broad and comprehensive view of the event) to be involved in the data collection process. This research has determined that social networking and guanxi can be used to improve participant acceptance rates, while also ensuring that the validity and detail of the data collected were upheld. Data were not collected from a control group (a group which did not participate through social networking as part of this project), so a comparison of the internal consistency and level of detail of the data collected could not be conducted. Comparison with other empirical studies suggested that the validity, reliability and number of identified consistent themes were greater than would normally be expected from a multi-industry study (Stephan et al., 2003). Improved participant agreement rates were found to be a result of the endorsement of an interview site (ACBC), repeat emails, follow-up phone contact, following up email requests by attending ACBC events, and meeting with individuals who had been asked to participate.

Negotiating with network members, including those who attended ACBC events and those in other networks, the use of the researchers’ strong and weak ties, and using the report as an item to exchange with participants for their time were all influential in recruiting participants. The negotiation process also generated a level of organisational agreement to participate which improved the consistency of the case study interpretation. This finding is also supported by the literature (e.g. Hasse & Trentemøller, 2009) and had a flow-on effect on simplifying the thematic analysis process. The strong convergence in the data on the key themes resulted in an efficient and robust thematic analysis. Thematic analysis can be subjective if the data are very ambiguous. Parallel thematic analysis of the data was conducted to confirm the thematic analysis results and a comparison of the analyses identified almost 100% consistency. This outcome made the thematic analysis process as effective as the convergent interview technique on the performance measure of reliability, without the drawback of being capable of identifying only a limited number of themes (Driedger, Gallois, Sanders, & Santesso, 2006). The thematic analysis, combined with SNT for the recruitment of participants, resulted in the identification of 271 theme nodes, compared with the typical identification of up to six themes when the convergent interview technique is used (Dick, 1990; Dick, Godden, Healy, & Lebrun, 1996; Gill, White, & Cameron, 2011).

A possible weakness of using SNT for the selection of participants is that the focus on the research questions of the selected respondents (which is also a positive characteristic, as described above) may have reduced the number of identifiable constructs describing the phenomena that were identifiable in the data. In other words, the enthusiasm that the participants had for their involvement in the project, and the research questions the team wished to investigate, may have increased the deductive and reduced the inductive power of the project. Given the sample size and number of industries covered, however, this was unlikely to be a problem. In addition, too great a diversity in the constructs emerging from the data would have spread the evidence too thinly across the constructs and reduced the reliability of the thematic analysis. The nature of the interview process means that the amount of data that can be collected from each organisation is finite and, so, the more diverse the responses, the more limited the data supporting each theme becomes.

9.0 CONCLUSION

SNT theory and guanxi can be utilised to improve participant rates for interview-based data collection processes where the need for time-poor participants, concerns for confidentiality, the need for shared language and perspectives and limited secondary data (such as company records) exist, such as in the case of Australian firms doing business in China. The research determined that an improvement in external construct validity and reliability of the data resulted from the use of this approach for participant recruitment, which facilitated the reliability of thematic analysis. Where data are being collected from sources such as cross-industry participants and a greater level of variation in the data can be expected, mechanisms that improve the internal consistency of the data are a valuable research tool.

This project provides evidence that adopting social network practices for participant selection resulted in a markedly improved response rate, higher quality data, and facilitated the data analysis. The costs associated with both data collection and analysis for empirical inductive and deductive research involving a larger number of participants can be quite significant,
so maximising the value of the data collected and facilitating the data analysis is an important research design consideration. The social network process adopted required the research team to participate in an extra process (developing the network and negotiating participation) and represented an extra project cost. It was not possible to delegate this process to research assistants as both the symbolism of the chief researchers (such as trustworthiness and authority) and their knowledge of the project and its justification were required for the success of the social network-based participant selection. The extra cost was compensated for, however, by the reduced cost of the analysis.

Further investigation of the use of SNT and guanxi as a participant selection process for inductive research is justified by the conclusions drawn from this research. Future research conducted using single industry participants (where the effect of exogenous factors such as variations in terminology and industry conditions would be less significant), and incorporating a control group of participants organised using conventional techniques, would enable further testing of the effect of this technique on the validity and reliability of the data and the subsequent facilitation of the thematic analysis.

10.0 REFERENCES


