

Bridging ‘home’ political and economic rationalities with ‘host’ demands and constraints: The case of regional Chinese state-owned multinational corporations

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Abstract

Regional state-owned multinational corporations (SOMNCs) are a major constituency of the ‘going out’ strategy of the Chinese state. Although SOMNCs are nominally infused with political rationalities, they also have explicit contractual economic targets. We therefore explore the underlying rationalities of regional SOMNCs and the roles of expatriate managers in relation to their international expansion strategies. We mobilize Foucault’s conception of ‘governmentality’ in providing a holistic understanding of the case of a regional SOMNC (and its subsidiary in Ghana), notably how its managers rationalize their decisions in terms of reconciling political vision with local contexts, tackling domestic competition via foreign market exploration, mobilizing local engagement, improving expatriate managers’ morale and reinterpreting an interdependent government–business relationship. Our study suggests that coexisting economic and political considerations between the regional government and SOMNCs are instrumentalized with a view to ‘governmentalize’ overseas operations via business strategies and localization management practices in the Ghanaian subsidiary. In such an interdependent relationship, political appeals and market imperatives are mutually beneficial and complementary, with expatriate managers skillfully deploying the SOMNC’s government affiliation. Our theoretical contribution lies in adapting a governmentality-driven framework to forge an alliance between liberal forms of management and non-liberal forms of governing and control.

Keywords

Regional SOMNCs; international expansion; overseas operations; governmentality; China

Introduction

The increasing presence and influence of state-owned multinational corporations (SOMNCs) in global trade, finance, investment, business and markets have spurred a number of questions about the potentially multi-faceted motivations and consequences underlying a state strategy for international expansion (e.g., through macro-level policies and firm-level ownership arrangements) (Hong, Wang and Kafouros, 2015; also see Boateng et al., 2021; Ramamurti and Hillemann, 2018; Wu, Wood and Khan, 2021). Of note has been the rapid growth of SOMNCs from emerging economies and a markedly higher level of state involvement in SOMNC management, compared to more developed economies (Aguilera and Crespi-Cladera, 2016; Kalasin, Cuervo-Cazurra and Ramamurti, 2019; Luo, Xue and Han, 2010).

China is one of the most active economy on this front in terms of its continued efforts to restructure and internationalize state-owned enterprises (Cuervo-Cazurra and Li, 2021; Rui and Bruyaka, 2021; Sawant, Nachum and Panibratov, 2021). Chinese SOMNC activity is also heavily present in key sectors such as mining, construction, and telecommunication (Khan et al., 2019; Parente et al., 2019; Xing et al., 2016). Such expansions have been associated with the central government's strategy to mitigate overcapacity in the domestic market, seek resources overseas that are unavailable in China, enhance international trade, and sustain China's global influence and leadership (Boateng et al., 2021; Jackson and Horwitz, 2018; Kalasin, Cuervo-Cazurra and Ramamurti, 2019).

So far, however, there have been relatively few attempts to delve into the strategies and operations of what we refer to as 'subnational' SOMNCs, i.e., entities owned by regional, provincial, or other municipal bodies, whose ownership was transferred by the central government. Although some form of political control has remained, there has been relatively more interest in regional SOMNCs achieving economic returns, growing market share, and fostering managerial autonomy (see also Li, Cui and Lu, 2014; Li and Hendrichske, 2020; Wang et al., 2022). In this context of international expansion, expatriate managers are seen to be crucial in achieving these goals while having "to strike a balance between [...] being aware of political connections at home and being flexible when imperatives imposed by the government arise as a consequence of overriding economic and social contingencies" (Mariotti and Marzano, 2019, p. 687). Managers also have to contend with host-country demands, whether at a state/regulatory, reputational, or market level (Hong, Wang and Kafouros, 2015; Khan et al., 2019). This led us to consider the following research questions: *How do Chinese regional SOMNCs and their expatriate managers reconcile the political vision of their home government with the local (host)*

demands in their strategic planning and managerial operations? How do Chinese regional SOMNCs and their expatriate managers conceive of a government–business relationship in a context of significant international expansion?

To address these research questions, 55 interviews were conducted based on two site visits to one of the leading regional construction SOMNCs in China with a specific focus on one of its overseas subsidiaries in Africa (Ghana). From a theoretical perspective, we mobilized the governmentality lens (Foucault, 2008; Jessop, 2007; Joseph, 2010; Raffnsøe, Mennicken and Miller, 2019) to identify the triptych of regional SOMNCs operationalizing business strategies and the knowledge and power of expatriate managers in balancing state's geopolitical ends and corporate economic objectives across the macro and micro levels.

Our empirical findings emphasize the distinct rationalities of Chinese regional SOMNCs embedded in the expatriate managers' practices in governmentalizing international expansion. This rationality is borne out of an interdependent relationship between the regional government and SOMNCs, whereby political appeals and market imperatives can be mutually beneficial and complementary. Such a balancing of home-country expectations and host-market demands adds to existing insights about the politically driven nature and strategies of central government SOMNCs (Hong, Wang and Kafouros, 2015; Li, Cui and Lu, 2014; Sawant, Nachum and Panibratov, 2021). Furthermore, with reference to local diversification strategies and implementing '*bentuhua*' (a Chinese version of localization management), Chinese expatriate managers selectively emphasized or de-emphasized the SOMNC's political identity, reflecting their knowledge/power abilities to position or recast relationships between various state bodies and businesses (Khan et al., 2019; Parente et al., 2019). This contributes to one's understanding of the role of expatriate managers in African settings (Cooke, Wood and Horwitz, 2015; Gu et al., 2016; Jackson and Horwitz, 2018).

Our theoretical contributions relate to a Chinese way of governmentalizing regional SOMNC internationalization with a combination of liberal forms of management (Picard, Durocher and Gendron, 2021; Tuck, 2013) and non-liberal forms of governing and control (Oakes, 2019; Palmer and Winiger, 2019; Sum and Jessop, 2013). First, while state power in many countries has been reconfigured and increasingly diffused at macro and micro levels, our case emphasizes how state power continues to frame the prevailing rationality (also see Jessop, 2007; Sum and Jessop, 2013) through the 'going out' program, thereby facilitating the instrumentalization of relevant technologies (diversification strategies

and ‘*bentuhua*’) in African markets. Second, contributing to a particular understanding of the power and knowledge of expatriate managers (Khan et al., 2019; Lam, 2017; Wang et al., 2022; Xing et al., 2016), our research uncovers how managers rationalize their state affiliation when strategizing, coordinating, and localizing overseas operations.

Theoretical Background

The heterogeneous roles of the SOMNC and of its managers

The recent re-emergence of SOMNCs as global participants has received increasing attention in the literature, notably on the role of the state in their internationalization (Cuervo-Cazurra and Li, 2021; Mariotti and Marzano, 2020; Wang et al., 2022). Furthermore, emerging economies tend to be more involved in running SOMNCs with a higher degree of state ownership/control and a lower level of market-based mechanisms, as a means to fulfill their political agendas (Cooke et al., 2018; Cuervo-Cazurra et al., 2014; Sawant, Nachum and Panibratov, 2021; Wu, Wood and Khan, 2021).

Yet the ‘state’ is not a monolithic entity, and the current thinking about state ownership does not sufficiently consider the different features of SOMNCs affiliated with different levels or branches of governments (Wang et al., 2012). SOMNC steering (e.g., federal, state, provincial, or municipal) can be motivated by an uneven combination of diplomatic, commercial, and financial interests (Gu et al., 2016; Hong, Wang and Kafouros, 2015; Li and Hendrischke, 2020). Li, Cui, and Lu (2014, p. 986) note that central SOMNCs serve as “instruments of national policy” in accordance with macro (geo)political directives and considerations. They can sacrifice short-term economic benefits for long-term development opportunities by invoking national/strategic priorities. For example, they may not lay off surplus workers in host countries to secure social and financial stability (Wang et al., 2012). In addition, they benefit from the privileged access to host government contracts due to their central state affiliation (Genin, Tan and Song, 2021; Wang et al., 2022). Contrastingly, regional/provincial SOMNCs tend to act as “commercial vehicles for profits” with fewer direct obligations to serve strategic interests (Li, Cui and Lu, 2014, p. 986). Managerial autonomy and market orientation thus matter more. According to Wang et al. (2022), regional SOMNCs can leverage more flexibly their political ties with regional governments to gain credibility from the host market as a Chinese government-supported agent while pursuing economic goals set by local governments. This chimes with the ‘government as strategist’ perspective (Mariotti and Marzano, 2019; 2020), where a trade-off between macro-level ‘political gain’

and firm-level economic performance is expected of SOMNCs (also see Lenway and Murtha, 1994; Musacchio, Lazzarini and Aguilera, 2015). Yet we know relatively little about the rationales, initiatives, and capabilities of regional/provincial SOMNCs in operationalizing their overseas business strategies and managerial practices.

Scholarly attention on how expatriate managers address their multiplicity of roles (e.g., political cadre and business practitioner) dovetails the above mentioned research agenda (Khan et al., 2019; Lam, 2017; Rui and Bruyaka, 2021). While expatriate managers from central SOMNCs tend to be under pressure to adhere to government diktat and maintain legitimacy (Li, Cui and Lu, 2014; Hong, Wang and Kafouros, 2015), we argue that regional SOMNC's managers could adopt more nuanced and strategic initiatives (Li and Hendrischke, 2020). They tend to have more 'local agency', e.g., business diversification and the localization of the management cadre, given their market-oriented mandate (Li, Cui and Lu, 2014; Wang et al., 2022). However, there appears to be limited empirical forays into how such managers might draw on their knowledge and power in enabling a corporate pursuit that is both mindful of geopolitical 'realities' and local responsiveness.

Informed by the above, we rely on Foucault's conception of 'governmentality' (Foucault, 2008; Raffnsøe, Mennicken and Miller, 2019) to help illuminate the (i) macro-operation of power through the internationalizing of Chinese regional SOMNCs against a backdrop of competing Chinese government demands and host-market pressures (Cuervo-Cazurra and Li, 2021; Hong, Wang and Kafouros, 2015; Khan et al., 2019) and (ii) micro-processes of knowledge and power deployed by expatriate managers in strategizing, coordinating, and localizing at the nexus of complex economic, political, and social contexts.

Governmentalizing Chinese SOMNCs and expatriate managers

Governmentality, as the activity of placing individuals under "the authority of a guide responsible for what they do and for what happens to them" (Foucault, 1997, p. 68), emerged in the 1970s as a lens to conceptualize the exercise of political power and the arts of governing (Foucault, 2008). Arising from the spread of liberalism and questions as to what forms of 'governing' should be adopted (Foucault, 2007; Rose, 1991), we conceive of governmentality as a frame to manifest the alliance between liberal forms of management and non-liberal forms of governing and control. This point dovetails Rose, O'Malley and Valverde (2006)'s analysis of political power in terms of how the ends of government is

fulfilled through “contestations and alliances with other arts of governing” (p. 84).

In a neo-liberal democratic context, Foucault’s (2007) lens of governmentality serves to highlight the voluntary and non-coercive nature of governing from non-political realms, whence the role of the state has relocated. This implies a diffusion of the cohesive centrality of power to an enabling form of power that functions in the discursive fields (Ablo, 2017; Jessen and von Eggers, 2020; Joseph, 2010; Picard, Durocher and Gendron, 2021; Tuck, 2013). In effect, the disciplinary power of the state has largely been de-emphasized in the mainstream ‘Anglo’ governmentality literature (Ashworth et al., 2013; Raffnsøe, Mennicken and Miller, 2019; Sum and Jessop, 2013). Contrastingly, governing ‘beyond the state’ is not the taken-for-granted political rationality in most emerging economies (Bo, Böhm and Reynolds, 2019; Jessop, 2007; Maher, Valenzuela and Böhm, 2019). Some authors have re-conceptualized the governmentality lens by reinterpreting the state as a strategic and powerful actor in non-liberal settings, e.g., China (Palmer and Winiger, 2019), Indonesia (McGregor et al., 2015), and Cambodia (Arnold and Hess, 2017). Contemporarily, state power in China operates as a complex combination of disciplinary governance and non-coercive technologies addressing both authoritarian and facilitative power relations (Hacking and Flynn, 2018; Oakes, 2019; Palmer and Winiger, 2019). The governmentality lens thus remains relevant within a non-liberal context (Jessop, 2007; Sum and Jessop, 2013) in providing a holistic understanding of the triptych of political rationalities, programs, and technologies of government (Rose and Miller, 2010), and of the ways in which managing populations have come into being (Barratt, 2008; Oakes, 2019; Townley, 1993).

In our view, the Chinese governmentality approach fuses the macrophysics of power of governmental practices and their associated rationalities with the microphysics of power of organizational practices (Jessop, 2007; Raffnsøe, Mennicken and Miller, 2019). By conceiving of “both processes of individualization and practices of institutionalization” (Lemke, 2007, p. 49) and “how these societies employ more subtle methods of power” (Joseph, 2010, p. 223), the governmentality lens is able to visualize how Chinese governmental and organizational technologies are interacted (Foucault, 1993; 1997). To this extent, the influence of the government triptych can be articulated within the Chinese SOMNCs’ global expansion strategies and practices at a macro/policy level and manifested within the practices of expatriate managers rationalizing their actions into overseas operations at the micro/management level (Lemke, 2001; Palmer and Winiger, 2019; Rose, O’Malley and Valverde, 2006).

At one level, and in line with “the rationalization of governmental practice in the exercise of political sovereignty” (Foucault, 2008, p. 2), we extend the ‘non-liberal’ understanding of governmentality to elaborate how the Chinese state identifies and addresses challenges through coherent programs and renders such programs operable through the SOMNC’s concrete strategies, techniques, and procedures (Arnold and Hess, 2017; MacKinnon, 2000; McGregor et al., 2015). Following China’s global integration economically and geopolitically, this hybrid form of governmentality is articulated into purposefully designed programs, such as the ‘state-owned enterprise (SOE) restructuring’ and the subsequent ‘going out’ initiatives from the early 2000s (Genin, Tan and Song, 2021; Li and Soobaroyen, 2021; Ramamurti and Hillemann, 2018). Hence, China’s state political rationality and economic programs are dynamically ‘translated’ into instrumental forms, such as strategies and practices operating in Chinese regional SOMNCs. These technologies of governmentality determine the possibility of a state and give government authorities the reach and capability to govern the activities of a locale ‘at a distance’ (Hacking and Flynn, 2018; MacKinnon, 2000; Rose and Miller, 2010).

At another level, given the understanding of how modern sovereign states and individuals are articulated with each other (Foucault, 2007), the governmentality lens enables us to connect the state’s strategic agenda to the micro-politics of (managerial) power within a particular organizational domain (Barratt, 2008; Oakes, 2019; Raffnsøe, Mennicken and Miller, 2019; Townley, 1993). By looking at how the “techniques of domination and techniques of the self” co-determine each other’s emergence (Foucault, 1993, p. 203), we conceive of expatriate managers as key ‘double agents’ of the China’s strong state and of its regional SOMNCs in rationalizing a Chinese version of ‘governing’ overseas businesses by means of their specific knowledge and expertise (Larner, 2007). They have the capability of ascertaining the state’s priorities and translating political concerns into practices within their own reality and distinct contexts (Dickmann and Doherty, 2008; Oliver, 2020), such as reconciling ‘home’ political vision with the ‘host’ considerations (McGregor et al., 2015). Therefore, to understand the political rationalities reflected in SOMNCs’ technologies and the Chinese ‘home version’ of governmentality, we draw upon an empirical analysis of business strategies and managerial practices of a Chinese regional SOMNC and their expatriate managers as a means to establish and maintain a new business ‘regime’ in African countries.

Research methods

Research context

To address our research questions, we consider the case of GS, a historically prominent and one of the largest provincial construction SOMNCs in western China, and focus on one of its overseas subsidiaries in Ghana, namely JN. As with the case of many SOEs being restructured during the numerous instances of China's economic reforms and opening-up policies (Boateng et al., 2021; Genin, Tan and Song, 2021), the governance and ownership structures of GS have been revised to mimic those of a privately owned company, albeit the provincial government remains its ultimate shareholder. GS supports and monitors the operation of its overseas subsidiaries by setting profit objectives, arranging the deployment of key personnel, and dispatching construction supplies. JN is an independently registered company in Ghana with a high level of managerial and operational autonomy at the local level. JN established many subsidiaries of its own to cover key sectors of the local economy.

Data gathered from GS provides an overall picture of the company's international vision and strategy, its overseas operations, and an understanding of its historical origins and association with the provincial government. Specific management practices by expatriate managers are identified within the construction projects and sites. Primarily due to historical and geopolitical imperatives arising from the Cold War era, the Chinese government has embarked on a large number of aid projects in Africa during the last sixty years (Li and Soobaroyen, 2021; Parente et al., 2019). Since only Chinese SOEs could be involved in the aid construction business and were well supported by the government, this gradually built GS' own multinational operations. Consequently, GS was one of the earliest independent SOMNCs in Africa and had a better organizational structure, experience, and management practice compared to subsequent entrants, allowing us to draw from a rich empirical setting.

Data collection

To explore the governmentalizing process of China's regional SOMNC and its expatriate managers, a qualitative case study was conducted (Eisenhardt, 1989; Siggelkow, 2007). The access to the case company was obtained by the first author who has lived in the city where GS' headquarters are located, leading to a two-year-long fieldwork in China and Ghana. Eventually, 55 semi-structured interviews were carried out, involving 47 managers from GS and JN. Table 1 lists the interviewee profiles: 20 managers from GS (coded GS1-GS20) and 27 managers from JN, including 6 Ghanaian managers

(coded JN1-21 and JN-G1-6). All GS/JN Chinese managers above the middle-level hierarchy rotate back to China after several years. The interviewed Ghanaian managers worked at JN for over three years and had a good understanding of the company's history, values, structures, and strategies. The interviewees thus had a rich working experience and fully understood SOMNC's guiding principles. The viewpoints of Chinese expatriate managers in JN on international expansion and operations across the macro and micro levels are the main source of primary data, triangulated with GS' top Chinese managers' opinions from a top-down perspective, and JN's middle-level Ghanaian managers' viewpoint from the bottom up.

The interview duration ranged between 50 and 90 minutes, except for one 120-minute interview with the deputy manager of GS (setting out the SOMNC's story from its establishment in the 1950s), and one 150-minute interview with JN's general manager, who narrated the company's journey after entering the Ghanaian market in the 1980s. Interviews with Chinese managers were conducted and transcribed into Chinese and then translated into English for coding and analysis. Interviews with local managers were conducted in English, as it is one of the official languages of Ghana. After an initial analysis of the interview data, and to learn more about the details of the current diversification and '*bentuhua*' strategies carried out by JN, we carried out a second round of 8 interviews with JN's expatriate managers. The interview transcripts amounted to 416 pages. The interview questions (see Table 2 for sample questions) focused on broader questions about corporate strategy and then proceeded to questions about individual perceptions of business practices, such as diversification of local operations, local recruitment, and the work of expatriate managers.

Table 1. Interviewee list

Interviewees working in GS and JN				
Code	Job Position	Gender	Years of service	Nationality
GS1	General Manager	Male	27	China
GS2	Deputy Manager	Male	16	China
GS3	Deputy Manager	Female	13	China
GS4	Chief Engineer	Male	22	China
GS5	Chief Financial Officer	Male	17	China
GS6	Director - Human Resource	Male	15	China
GS7	Director - Engineering	Male	20	China
GS8	Department Director	Male	10	China
GS9	Department Director	Male	12	China
GS10	Department Director	Male	8	China
GS11	Department Director	Female	15	China

GS12	Accountant	Female	6	China
GS13	Accountant	Male	3	China
GS14	Accountant	Female	3	China
GS15	Project Manager	Male	7	China
GS16	Project Manager	Male	5	China
GS17	Project Manager	Male	8	China
GS18	Operational Manager	Female	6	China
GS19	Operational Manager	Male	4	China
GS20	Middle Manager - Human Resource	Female	5	China
JN1	Chairman	Male	30	China
JN2	General Manager	Male	13	China
JN3	Deputy Manager	Male	20	China
JN4	Chief Engineer	Male	26	China
JN5	Chief Financial Officer	Male	24	China
JN6	Deputy Manager	Male	12	China
JN7	Department Director	Male	14	China
JN8	Department Director	Male	13	China
JN9	Department Director	Male	6	China
JN10	Department Director	Female	4	China
JN11	Department Director	Male	9	China
JN12	Department Director	Male	7	China
JN13	Director - Human Resource	Male	18	China
JN14	Director - Engineering	Male	16	China
JN15	Director - Project	Male	17	China
JN16	Director - Operation	Female	13	China
JN17	Project Manager	Male	2	China
JN18	Project Manager	Male	2	China
JN19	Secretary General	Female	4	China
JN20	Accountant	Female	4	China
JN21	Project Manager	Male	3	China
JN-G1	Middle Manager - Human Resource	Male	3	Ghana
JN-G2	Middle Manager - Marketing	Male	3	Ghana
JN-G3	Middle Manager - Accounting	Male	10	Ghana
JN-G4	Middle Manager - Accounting	Female	5	Ghana
JN-G5	Middle Manager - Production	Female	3	Ghana
JN-G6	Project Appraiser	Female	7	Ghana

Data analysis

Our analysis proceeded on the basis of coding the three steps manually to generate an in-depth understanding of the governmentalizing process of GS international expansion, the distinctive roles played by expatriate managers, and the dynamic organizational process of JN's operation.

Step 1: Preliminary analysis of the strategies and practices. Based on a detailed reading of all interview transcripts to understand the narrative of the whole case (Langley, 1999), a process of 'open coding' ensued (Strauss and Corbin, 1998). The interview data was summarized, categorized, and coded

to delineate the strategies and practices deployed by the government, corporations, and expatriate managers in the dynamic processes of the Chinese regional SOMNCs operating in Africa. All first-order codes were generated from interview quotations, the samples of which are also shown in Table 2. Seventeen first-order codes identified in Table 2 include a discussion of the macro-level strategic guidance of the provincial government and GS and the firm-level strategies and operational practices of JN.

Step 2: Identification of the rationales and initiatives. To further evaluate the efforts and dynamics of the regional SOMNC and its expatriate managers, we coded the similarities and grouped the 17 first-order codes into five subcategories based on the rationales and initiatives of these strategies and practices. Based on the relationship between the case study and the first-order categories (Strauss and Corbin, 1998), we identified five second-order themes articulating the main rationales and initiatives of the regional SOMNC's macro-level strategic planning and the expatriate managers' operational practices at the firm level (see Figure 1). The five themes will enrich our understanding of how the regional SOMNC and its expatriate managers integrate the political rationalities and programs into their business strategies and operational practices while adapting to local challenges associated with competition and market demands. We were able to construct an understanding of the Chinese version of internationalization by regional SOMNCs, as reflected by the interviewees' experiences in each theme.

Step 3: Theorization of the internationalization of the Chinese regional SOMNC. In the third stage of data analysis, based on these five inspiring second-order themes, the aggregated dimension of 'governmentalization' was identified to examine the means by which government rationalities materialize in the regional SOMNC's strategic implementation and operational practices. Following the three-step coding and using an interpretive approach (Anfara and Mertz, 2015; Collins and Stockton, 2018), we are able to theorize the internationalization of Chinese regional SOMNCs. We provide Figure 1 as a means to visualize our main analytical and coding process.

Table 2. Sample interview questions and sample quotations of the first-order codes

Sample interview questions	Sample quotations	First-order code
Q1. What is the strategy of GS in the international market? And how can such a strategy be reflected in JN's operations?	While JN retains its independent identity as a transnational contractor, it is the representative of the state in the international market. (GS8, extracted from response to Q1) We actively responded to the state's new policy of building an independent transnational company for further 'going out'. (GS7, extracted from response to Q3) We are very much concerned with public image in African markets; we don't want them to consider us an economic invasion. (GS6, extracted from response to Q4) When you identify yourself as a Ghanaian and do things in their way, there would be no barriers. (JN1, extracted from response to Q7)	Commitment to political duty Interpret government policies into business strategies
Q2. Why did you decide to enter into African markets?	Our diversification has two purposes which are reflected in our settings: supplying our main construction projects (via Subsidiary A & B) and letting locals accept and like us (via Subsidiary C, D & E). (JN11, extracted from response to Q2) We must recruit a certain number of local people for each working permit issued to Chinese managers. (JN12, extracted from response to Q11) More than 95% of the construction workers are recruited locally, and the number of local managers has been increasing alongside our market expansion in other commercial sectors. (GS20, extracted from response to Q12)	Accommodate local government and people's demands
Q3. How do you perceive the changes to your company because of the SOE restructuring? Any influences on your relationship with the government?	Modern mechanism (Board of Directors) is the way for our future development. (GS2, extracted from response to Q3) We have more rights to make decisions, plans, and strategies in an international context. (GS5, extracted from response to Q4) The domestic construction market is too crowded. There are too many bidders, and the rising material and labor costs make it harder to maintain a profit. (GS15, extracted from response to Q1) African countries have a huge demand on upgrading infrastructure facilities, so it is our opportunity. (JN6, extracted from response to Q2)	Evaluate the aftermath of SOE restructuring Explore new markets in African countries
Q4. How do you perceive your government background in working in foreign countries? Is it helpful in Ghana or a barrier to your local business?	Considering long-run development, those diversified companies [e.g., Subsidiary C, D and E] are even more promising than construction, so we need to plan ahead. (JN8, extracted from response to Q6) It is not wise to solely rely on construction projects; we need to expand our operation scales to spread the possible risks. (GS18, extracted from response to Q5) The market capacity in the construction industry is limited in Ghana. Apart from government-led large projects, small-to-medium-size business projects are in less demand, relatively low-end with a small profit margin. (JN15, extracted from response to Q5) It is natural for us to identify Ghana as our key overseas market. We had been working there for decades, and we know what is missing there. (JN14, extracted from response to Q2) I really like the idea of opening a hotel because it helps us to connect with local people. They like to rent our venue for events, and they enjoy Chinese food in our restaurant. (JN18, extracted from response to Q7) We [Subsidiary D] opened a huge showroom at the busiest shopping mall in southern Ghana. We are one of the biggest franchisees of many Chinese brands so that we can always provide the most popular and demanded products. (JN-G2, extracted from response to Q5). We got into the pharmaceutical and trading business simply because there is a lack of medicine and daily necessities in Ghana. We believe that people will accept us if we provide scarce products and services to meet their needs. (GS11, extracted from response to Q6)	Entry into nonconstruction sectors in Ghana Fill up local demand gaps via targeted operations
Q5. What are your main sources of profit in the Ghanaian market?	Now we need to pay a lot more to Chinese workers to match the wage level in China; that's why we start recruiting locals. (GS16, extracted from response to Q11) I found information conveyed by local leaders always leads to faster reactions. It is really a relief for me to have them. (JN15, extracted from response to Q10) It is very effective to recruit local workers via our middlemen's recommendations. These workers are also easier to manage because they will listen to their referees. (JN9, extracted from response to Q12) While one experienced Chinese work leader can manage 10 local workers, local leaders can easily reach 50 with the same workload. (JN6, extracted from response to Q10)	Select 'middlemen' from local workers
Q6. Why do you extend your business to the nonconstruction sectors in Ghana?	I am happy to be working in the HR department. There are more and more locals joining this company, and I will try to take care of them. (JN-G1, extracted from response to Q13)	Extend 'middlemen' to

tell me the local people's attitudes towards Chinese people and companies?	Not all of us are good at English, and some locals only understand Akan. We need more local managers to translate and convey our information clearly to local stakeholders. (JN13, extracted from response to Q12)	management level
Q8. Do you perceive that your SOE identity influences your way of doing things, particularly in Ghana?	I am working here because I want to gain experience working in a foreign company. It would be helpful for my future career, as I am planning to work abroad. (JN-G4, extracted from response to Q11) We tried to train and guide locals by asking them to do what we do. We want them to learn from our experiences. (JN17, extracted from response to Q10) The working and living situations are quite difficult compared with China. I understand that many Chinese managers, especially young ones, don't have a long-term plan in Ghana. (JN20, extracted from response to Q9) On the weekend, we have lunch together in the dining hall. We eat food from our hometown, watch Chinese TV programs and enjoy the time together. It helps to ease our homesickness. (JN19, extracted from response to Q8) The lack of managerial talent in Ghana and our political restrictions have made us have to rely on expatriates to manage the business; therefore, it is really important to find a way to convince them to stay, work, and live in Ghana for a longer period. It is our interpretation of localization for sustainability. (JN2, extracted from response to Q9)	Offer locals opportunities for career development Create a familiar working environment
Q9. Do you have any difficulty working in Ghana? How do you deal with it?	It is also important to create a community to persuade Chinese managers to stay, and the key point is that everyone should help each other within the community. (GS6, extracted from response to Q9) We all come to the foreign countries from thousands of miles away, and collectiveness is the source of power to help us overcome challenges and difficulties. (JN3, extracted from response to Q12)	Enhance expatriates' sense of collectivity
Q10. Are there specific approaches used to improve the communication between Chinese managers, local managers, and local employees?	Militarized management has always been our tradition since we started overseas projects 50 years ago. It helped us to get through difficulties in adverse circumstances. (GS11, extracted from response to Q9) We want the locals to see us as a disciplined collective, who dare to shoulder responsibilities and always work towards a unified target. (JN2, extracted from response to Q8) Military management represents our SOE spirit because it not only provides discipline that guides real work but also brings a sense of unity, collectiveness, and cohesive power. (JN7, extracted from response to Q12)	Implement militarized management
Q11. Do you think local recruitment and management are important for the company's operation in Ghana?	We can't achieve our current status if we don't have government policies as our backup. (GS20, extracted from response to Q4) As managers of state investment, we are inevitably under political pressure. (GS12, extracted from response to Q1) As managers in SOEs, we know that it is the government that we should be responsible for, just like we are accountable to other shareholders. (GS2, extracted from response to Q8) Economic independence is our long-term objective, but this should not be necessarily going against our affiliation with the state. (JN4, extracted from response to Q3) Our Chinese director will make their own report to the Chinese head office, while we provide financial information for dealing with local auditing and taxation authorities. (JN-G3, extracted from response to Q13)	Accomplish economic targets agreed upon with the domestic government Retain the decision-making power for the safety of government investment
Q12. Do you think there are specific approaches that are suitable/not suitable for the Ghanaian context?	The provincial government likes us as we provide a channel for everyone to participate and benefit. Locals also love what we do because we provide what they want. (GS19, extracted from response to Q3) For example, last year, we helped two home appliance distributors [from our region] to sell their washing machines and fridge freezers in our shopping mall. (JN7, extracted from response to Q6) The government expects us to act as an exemplar of taking care of other regional businesses while ourselves expanding in Africa. (JN17, extracted from response to Q4)	Lead other regional corporations entering into the African market
Q13. How do you work with your Ghanaian and Chinese colleagues?	I am by no means saying that we are speculators, but as managers in a regional SOE, we need to know how to make trade-offs to balance government and corporate needs. (JN2, extracted from response to Q8) We [as a regional SOE] are running a business with more autonomy but also researching policies to ensure our business direction is always aligned with government guidance. (GS5, extracted from response to Q4)	Take advantage of government affiliation

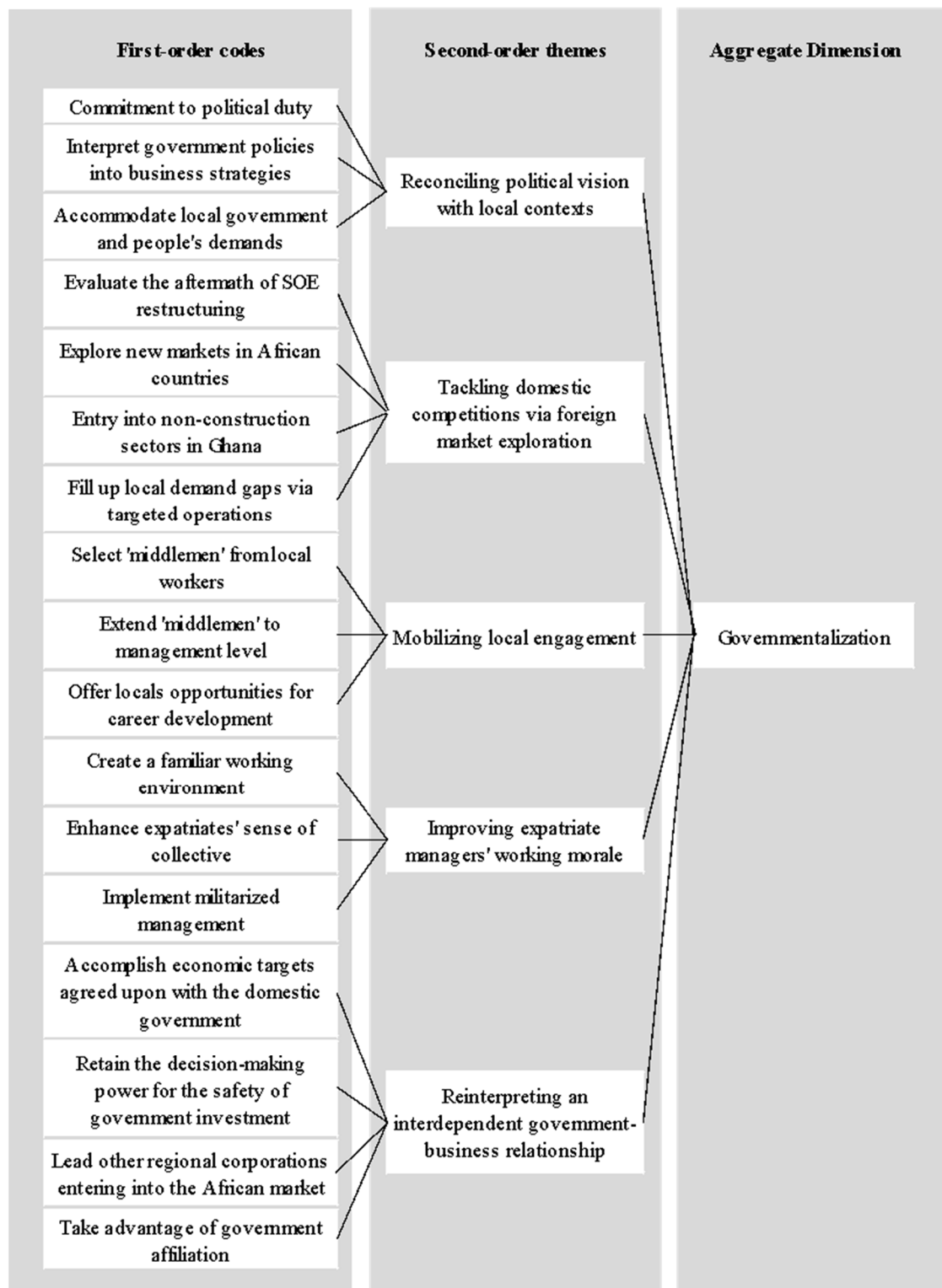


Figure 1. Analytical coding process

Empirical findings

Reconciling political vision with local contexts

Starting from the late 1990s, multiple economic revolutions in China have focused on implementing modern corporate governance and market mechanisms via SOE restructuring. Central to these changes

is a political guidance coined “*grasping the large and letting the small go*”, implying direct state control over selected large SOEs while delegating authority and managerial power for the remaining ones to regional governments. Consequently, GS was handed over to a provincial government. While the ‘downgrade’ of GS relaxed state control, it did not lead to less government involvement. Upon the takeover, the provincial government immediately repositioned itself within GS’ new organizational structure, in which a Chinese Communist Party’s (CCP) party branch parallels and somewhat overlaps with the composition of the board of directors. GS’ chief engineer explained:

We are directors of GS to make decisions and manage operations, but don’t forget we are also members of the party branch in an SOE. This requires us to not only consider economic outcomes but also to ensure our practices are in line with political guidance. (GS4)

Working with this ‘limited autonomy’ is at the same time appreciated by GS’ managers. A new business strategy, for instance, embodied managers’ response to the government’s economic policies. In 2015, ‘international expansion’ was officially announced as the group’s long-term objective after the governmental program of ‘going out’ was developed and triangulated with detailed overseas expansion roadmaps and outward foreign direct investment initiatives. The GS leadership, while remaining as ‘political cadres’, urged managers of its overseas subsidiaries to steer themselves towards becoming business practitioners and to develop pertinent solutions for ensuring competitiveness and sustainability in respective markets. The GS general manager remarked:

The retreat of the central government means we need to take responsibility for ourselves. It prompted us to expand more in international operations, as we know that ensuring a sustainable and independent operation in overseas markets is the key for our future. (GS1)

For JN’s overseas operations in Ghana, the implementation of ‘diversification’ and ‘*bentuhua*’ were seen as key strategies. JN’s diversified operations include fully owned subsidiaries for equipment leasing and real estate development (Subsidiary A) and for construction material manufacturing (Subsidiary B). It also reached into many nonconstruction sectors by setting up shareholding subsidiaries in pharmaceutical manufacturing (Subsidiary C), commodity trading (Subsidiary D), and hotel management and tourism service (Subsidiary E). Managers explained that they purposefully designed this mode of diversification to foster a favorable public image and local acceptance.

JN’s extensive diversified operations also led to a surge in demand for recruiting local people. Thus, ‘*bentuhua*’ was advocated as another determinant of JN’s sustainable development. From the Chinese

word for ‘localization’, ‘*bentuhua*’ suggests a transition from being “*a foreign company in Ghana*” to becoming “*a local company for Ghana*” (M21). One of the easiest practices is to increase recruitment of Ghanaian construction workers and low/middle level managers. Ghanaian managers commended this approach:

JN became well known and welcomed because of the job opportunities offered to local communities... Working as a local recruiter, I have been often asked by friends and relatives about the working opportunities here. (JN-G1)

In addition to improving employment prospects for local staff, recruiting locals rewarded JN with a more hospitable environment under local government regulations. JN’s top managers saw this practice as an effective means of reconciling political vision with local contexts:

Our ‘bentuhua’ strategy proactively responded to the Ghanaian government’s restriction on foreign work permits and mandatory minimum on the proportion of local workers, which helps us to leave a favorable impression for the local government. (JN3)

Overall, JN’s strategic planning and practical implementation of diversification and ‘*bentuhua*’ across the macro and micro levels reflect a way of internalizing the Chinese government’s political vision into the local business operational practices by highlighting its concurrence with local demands and requirements.

Tackling domestic competition via foreign market explorations

While much is made of the link between Chinese SOMNC international adventures and China’s geopolitical ambitions, international expansion was also the managers’ pragmatic response to the increasingly competitive domestic market. GS’ new status greatly challenged the SOMNC’s bottom line. One GS deputy manager explained:

The SOE restructuring directly resulted in less privilege and protection from the central government. In the past, we didn’t worry too much about profitability because most projects are political tasks so on-time completion is the key... Nowadays, we can be driven out of the market if we fail to accommodate competition and make profit. (GS2)

Indeed, GS was struggling to find its own market position and without the endorsement of the central government, the company was not able to secure large national contracts. Even at the regional level, the company faced competition from private rival firms, and there was a pressing need to switch to

alternative markets. The focus on African markets was justified due to GS' extensive involvement in government-led projects and the ability to quickly draw on local networks and experience. For instance, local recruitment contributed to a large savings in labor costs. However, GS' operations in overseas construction markets remained restricted by the presence of a multitude of small and agile competitors. This reveals a more prominent expansion motive, namely the potentially competitive advantage of entering into underdeveloped 'nonconstruction' markets identified by expatriate managers. According to one JN department director,

African markets in general are quite underdeveloped, and we still have more advanced techniques and resources. Many market segments in Ghana are empty, but people's demands are huge. There is a big gap waiting to be filled, so it is very promising in the long run. (JN10)

This statement is embodied in JN's strategy to engage with both construction and nonconstruction markets. The establishment of Subsidiary A and B complemented the supply chain by providing the required equipment and materials for JN's construction projects. It was crucial to JN's main business since it mitigated its reliance on supplies from China whilst local manufacturers remained unable to meet its requirements. Furthermore, each of its nonconstruction subsidiaries sought to target products and services that were most needed by local consumers. Taking Subsidiary C as an example, a pharmaceutical manufacturing company is considered to be crucial for JN's continued profitability in Ghana. One JN department director stated:

We are not specialists in the pharmaceutical industry but we know what the locals are lacking. Our main products are very simple, such as sodium and glucose, but the demand for these basic medicines is huge, so we just produce them in big quantities. (JN8)

Subsidiary C's products were eventually approved by the local government, and it became one of the main suppliers for Ghanaian hospitals and national storage. Similar to JN's other diversified businesses, the company's success in the pharmaceutical sector typified the expatriate managers' knowledge and ability to thoroughly evaluate domestic challenges in China and local demands in Ghana and to conduct targeted operations to address gaps in the market.

Mobilizing local engagement

With its rapid involvement in many facets of the livelihoods of local people, JN's ambitious expansion inevitably led to misunderstanding and concerns from local communities. JN clearly appreciated the

importance of mobilizing local engagement in “*building a local company for Ghana*” (JN1). In this respect, the priority of ‘*bentuhua*’ was to improve communication and trust between JN and locals by advocating the ‘middlemen’ practice. This idea came from GS’ early work with construction sites during the aid project period. Based on their education, language skills, and learning ability, the company selected a small number of Ghanaian workers with greater power to supervise construction progress and evaluate local workers' performance, which ensured they could comply with technical standards and managerial instructions from the Chinese side. The most apparent outcome of this involvement was dramatically improved work efficiencies, as illustrated by one JN deputy manager:

We follow the notion of ‘local manages local’ in construction practices. We found information conveyed by local leaders always leads to faster reactions. It is also a relief for Chinese managers, as we only need to communicate with our middlemen and save more time working on something else. (JN6)

With the extensive diversification of JN’s activities, the ‘middlemen’ notion was adopted at the management level, with more Ghanaian managers being recruited to facilitate communication between JN’s diversified subsidiaries and Ghanaian suppliers, customers, and government authorities. JN’s human resource director explained:

We found local managers are particularly effective in certain positions. For example, it is much easier for them to collect useful information from job seekers, to attract a larger audience to business promotions, and to get along with suppliers and customers. Moreover, they are certainly much faster in dealing with official procedures and government approvals. (JN13)

Furthermore, managers believe that the use of ‘middlemen’ also promoted the trust of Ghanaians in JN, which was greatly attributed to the way Chinese managers interacted with selected ‘middlemen’. A Ghanaian production manager commented:

Many of our peer workers lack education, so it takes time for them to learn how to use machines and understand Chinese-style management. However, Chinese managers tell us not to worry, as they are happy to help us to get skills if we are willing to learn. We feel happy to work in this way because we are developing skills at the same time. (JN-G5)

Similarly, with the purpose of building a longer-lasting local management team, JN targeted Ghanaian junior managers and graduates and offered opportunities for their future career development. For example, JN was actively involved in organizing professional training for local managers while offering

selected managers a chance to visit and study in China. These initiatives were helpful in bridging the communication gap between JN and local communities and enhancing the confidence of local people to work at JN. In this way, JN has developed a skillful and stable local team that has started to replace the Chinese technical cadre on construction projects as well as to manage the daily operations of many diversified subsidiaries. Local engagements were greatly mobilized via JN's offerings in career development, which was particularly welcomed by the local young people.

Improving expatriate managers' morale

Due to JN's fast expansion in Ghana, the intensified workload, language and cultural differences, and emotional issues (e.g., homesickness) impinged on the working morale among expatriate managers, which led to a high turnover. The outflow of talent became another crucial issue since JN's middle to top management roles are largely staffed by Chinese expatriates. As a result, greater attention has been paid to localize Chinese expatriate managers to adapt to the host-country market and working conditions.

For instance, JN has made great efforts to create a familiar environment, which ensures that expatriates can look forward to a comfortable stay in Ghana. The company's main building complex was designed to act as a self-sufficient community space for Chinese expatriates to work and live in. From the office layout to the food supplied in the dining hall, everything was purposefully structured to mimic a typical Chinese SOE workplace. Chinese chefs were recruited for authentic food, shops opened for Chinese commodities, and Chinese-style sport and entertainment activities were organized for leisure time. Beyond these material supplies was an intention to reinforce a sense of collectivity as a virtue derived from their SOE identity. The JN's chief financial officer mentioned:

We intentionally incorporated some special elements to remind us where we come from, such as showcase windows for our SOE history and posters of Party slogans. We hope we can support and be supported by each other in this collective that shares the same values and tradition. (JN5)

With such spatial arrangements in place, expatriates were able to work and live as a cohesive unit. Detailed schedules and timetables were formulated for group working, dining, and even entertainment activities. Most expatriates lived in shared dormitories, as their entry into and exit from the complex had to be recorded and approved by senior managers. Managers often articulated that this approach was a form of 'militarized management', borne out of the way Chinese construction SOEs were traditionally structured and directed, for example:

Most Chinese construction SOEs originated from the army as a special functioning division for military infrastructures. ...it is our core value and inheritance—strict discipline and compliance to unified actions. (GS17)

While the above seemed to contradict the open and accessible image that JN demonstrated to the local communities and staff, among Chinese expatriates this militarized mode was greatly appreciated and considered a powerful means to enhance their working morale while being abroad. The emphasis on Chinese SOE tradition has further amplified the political meanings of JN's international operation, which elevated expatriates' daily practices as an honorable state mission, as JN's secretary general stated:

Everyone in this company understands ... 1. Our identity as a CCP member and a Chinese citizen... 2. Our responsibility to ... win honor for our country is unchangeable, and 3. Our ideals and conviction to socialism are unchangeable. (JN19)

With these efforts towards enhancing both material wellbeing and ideological thoughts, JN appears to have intentionally created an 'enclosed' working environment with a sense of collectivity, within which the significance of overseas operations was elevated to a 'moral high ground' beyond a merely economic rationale. Expatriate managers seemed to appreciate the initiative leading to an improvement in working morale.

Reinterpreting an interdependent government–business relationship

With the shift of authority from the central to provincial level, the government role in the internationalization process of GS was changed from controller to investor, leading GS to reexamine its relationship with the government. One GS deputy manager explained:

As the intermediary between the regional government and subsidiaries, we negotiate with the government in determining our economic targets. We then communicate with general managers of each overseas subsidiary and sign contracts with them to clarify their responsibilities and performance evaluation. Each subsidiary is required to submit an agreed amount of profit and an administrative fee. The contract also includes clauses to ensure the safety and security of the government investment. (GS3)

Hence, fulfilling the contract, rather than political instructions per se, became key to maintaining a favorable relationship with the provincial government. For example, the emphasis on diversification,

albeit part of improving the local image/legitimacy, was incorporated into the contract's performance targets, whereby one third of the forecast profit was agreed to come from nonconstruction operations. The selective recruitment of local managers, however, reflected JN's caution about the safety of state assets. A clear boundary of job roles and functions was set between Chinese expatriate managers and Ghanaian ones, which excluded local managers from JN's key decision-making process. One JN project director stated:

We need to localize recruitment but cautiously. Key positions for decision-making must be occupied by the Chinese because ultimately we are an SOE, and we have the responsibility to take care of the state assets. We are free to do many things but there is a bottom line. (JN15)

The above is also reflected in the Ghanaian manager's response:

As a construction appraiser, my job is to use my professional knowledge and local connections to provide information about project pricing. However, all I need to do is to give advice, but I am not allowed to participate in the final stage for deciding the bidding price. (JN-G6)

JN also took the lead in supporting other regional corporations entering into African markets. Given its reputation and achievements, the provincial government considered GS as a vehicle for the promotion of the regional economy and employment. In return, it appears that preferential treatment from the provincial government arose for the company, as the JN chief engineer narrated:

It is a win-win scenario, and our government affiliation can facilitate what we want to achieve in Ghana. For example, we have often been recommended to Ghanaian governments for intergovernmental collaborative projects. Local property developers also see us as a reliable partner because of our government background and qualifications. (JN4)

Although GS, as the proxy of the provincial government, emphasized the political importance of JN's overseas operations, JN's managers, taking into consideration the firm's own economic sustainability, often saw political affiliation as a pragmatic means to gain exclusive advantages. Affiliation with the regional government became a 'card' to use only in certain circumstances. The JN operation director explained:

Our government affiliation does not always lead to restrictions; it depends on how and when to use it wisely. For example, our government background is important in negotiating with Ghanaian authorities, especially in bidding for government-led projects. However, from the branding to the marketing of our shopping mall and hotel, our political identity was hidden

because we don't want to create distance with local communities. (JN16)

Therefore, government affiliation was a peculiar construct which GS seemed to carefully manage from a regional SOMNC's perspective. While the formal contract underpinned the relationship between the provincial government and GS, this affiliation was embodied in part of JN's diversified operations. More regional SOEs rely on JN to extend their overseas businesses, which increases the provincial government's dependency on GS. As a result, GS seemed to flexibly use its government affiliation and political identity to obtain financing and policy support privileges in the process of overseas expansion. At the same time, a downplaying of its political identity was acknowledged to help popularize a friendlier and more accessible 'local company' brand among the wider public in Ghana.

Discussion

Our empirical analysis reveals how expatriate managers rationalize their practices and decisions in terms of reconciling political vision with local contexts, tackling domestic competition via foreign market exploration, mobilizing local engagement, improving expatriate managers' morale, and reinterpreting an interdependent government–business relationship. Thus, these rationales and initiatives led us to the aggregate dimension of governmentalization to theorize the Chinese regional SOMNC internationalization and the 'boundary-spanning role' of Chinese expatriate managers in Africa.

Whilst the SOE restructuring led to a greater level of devolution of power from central to regional governments, more importantly it implied a reconfiguration of state power in China's international expansion (Clegg, Voss and Tardios, 2018; Hong, Wang and Kafouros, 2015; Li, Cui and Lu, 2014). As the executor and mediator of state power at the subnational level, the provincial government's participation in regional SOMNCs, such as GS, not only enhanced the alignment of political guidance with corporate business initiatives, but it also enabled the reconciliation of regional political-economic demands into specific strategies of SOMNC internationalization. The political affiliation also contributed to 'government-created advantages' (Ramamurti and Hillemann, 2018) in the construction industry in Ghana, borne out of aid projects and government-to-government deals which enabled JN's rapid increase in market size and local recruitment. The provincial government also capitalized on the extensive entry into African markets as a means to address the challenge of increased competition in their home market. GS was also recruited as a powerful driver of regional development by opening up

channels for other regional companies' overseas expansion, thus enabling the state to reach and govern overseas operations 'at a distance' (MacKinnon, 2000).

At a firm level, and while accommodating political objectives, implementing state policies, and contributing to geopolitical standing (Hong, Wang and Kafouros, 2015; Mariotti and Marzano, 2019; Wang et al., 2022), JN and its expatriate managers are business-minded and primarily purposed to gain market share, reputation, and acceptance from the local customer base. As Raffnsøe, Mennicken and Miller (2019) have underlined, expatriate managers' knowledge of their home-country's rationality and host-country's market demands made them capable of translating political and economic concerns into concrete technologies that apply to local markets. Consequently, the expatriate managers' expertise and discretion in mobilizing local engagement (Dickmann and Doherty, 2008; Larner, 2007) provides them with more flexibility in implementing business diversification and localization strategies. In our case, JN's diversification and '*bentuhua*' strategies, conceptualized as government technologies (Arnold and Hess, 2017; McGregor et al., 2015), have led to a selective entry into markets and operations to meet local gaps in demand. In addition, the extensive recruitment of a local workforce/management and tailored opportunities for career development seek to bridge communication/trust gaps and improve working efficiency, based on the Ghanaian middlemen's knowledge and power in managing locals. This resonates with Xing et al. (2016), who point to an emerging field of managing African employees by Chinese MNCs. Moreover, as a particular implementation of '*bentuhua*' focusing on managing expatriates, GS and JN developed a full set of practices to improve expatriate managers' working morale. For example, militarized management was carried out to enhance unity, mindset, and a sense of collectivity and belonging. This improved Chinese expatriate managers' retention and commitment to working in Ghana. Findings about this firm-level practice also echo recent studies calling for more attention to the prevalence of military-style management in Chinese MNCs (e.g., Hong and Snell, 2021; Lai, Morgan and Morris, 2020).

While being quite aware of the SOE's identity, Chinese managers actively engaged in the Chinese way of governmentalization by building an interdependent relationship with the regional government. GS, as a regional SOMNC shouldering its own economic responsibilities (Genin, Tan and Song, 2021; Wang et al., 2022), is able to negotiate with the provincial government for mutually and contractually agreed targets. Furthermore, GS actively led the way for other regional corporations in their 'going out' phase, which enabled GS to negotiate exclusive resources with the provisional government. This flexible

use of government affiliation was amplified by JN's expatriates in overseas operations. For example, the restricted recruitment of local managers reflects a compromise made by JN in securing a healthy relationship with the Chinese government (see also Cooke, Wood and Horwitz, 2015; Xing et al., 2016). At the same time, Chinese expatriate managers draw upon this government affiliation to pursue business interests, while a downplaying of its political identity can occur to meet SOMNC's strategic needs.

To sum up, our research theoretically points to a distinctive Chinese way of 'governmentalization' in the study of regional SOMNC internationalization and our contributions are two-fold. This is manifested as the forging of an alliance between non-liberal forms of governing and control (e.g. Hacking and Flynn, 2018; Palmer and Winiger, 2019; Sum and Jessop, 2013) and liberal forms of management (e.g. Jessen and von Eggers, 2020; Picard, Durocher and Gendron, 2021; Tuck, 2013), specifically:

First, our research adapts the governmentality-driven framework to a non-liberal context in management studies, bridging the gap between the reconfiguration of state power in constructing modern power relations at macro and micro levels (Jessop, 2007; Oakes, 2019). In our case, GS, affiliated with a provincial government in China, has incorporated both the economic and political demands of the state and fulfilled regional economic and social achievements. This implies that state power has re-positioned without losing its primacy. Arguably, it becomes reinforced as the main political rationality (Foucault, 1997; Hacking and Flynn, 2018; Jessop, 2007) through the 'going out' program and African market strategies, and offering an arena for specific technologies to be instrumentalized by JN. In this way, the state retains the ability to govern SOMNC activity at a distance. Thus, our research contributes to a theoretical understanding of Foucault's conception of the state (Foucault, 2007) as a peculiar illustration thereof in governmentalizing SOMNCs, "not only a material structure and a mode of thinking, but also a lived and embodied experience" (Lemke, 2007, p. 48).

Second, this research also contributes to the current non-liberal literature on governmentality with a particular focus on how expatriate managers rationalize their actions in regional SOMNCs by conceiving, within their own reality and contexts (McGregor et al., 2015), of what is to be governed and what can be steered (Foucault, 1993; 2007). The role of expatriate managers in China–Africa engagement has recently received critical attention (Cooke, Wood and Horwitz, 2015; Jackson and Horwitz, 2018; Lam, 2017; Wang et al., 2022; Xing et al., 2016). What we are able to contribute to this work is how knowledgeable and expert managers draw on their historical, cultural, and political

affiliations to navigate the state's power and its aspiration for internationalization by embedding the governmental program of 'going out' into a corporate pursuit of economic gain, through strategizing, coordinating, and localizing managerial practices. This is particularly important to the recent discussion about a dynamic understanding of the rationalities in the governmentality approach (Foucault, 2008), which "are constantly undergoing modification in the face of some newly identified problem or solution, while retaining certain styles of thought and technological preferences" (Rose, O'Malley and Valverde, 2006, p. 98). In our case, governmental rationalities become dynamically materialized in the regional SOMNC's strategic implementation and operational practices. Government technologies, diversification, and '*bentuhua*' strategies were tactically employed by expatriate managers to accommodate the government political and economic pressures, secure reciprocal relations with both home- and host-country governments, and ultimately to institute and disseminate a new form of business and management in African countries.

Conclusion

In summary, our findings outline the distinct practices of Chinese regional SOMNCs and the role of their expatriate managers in facilitating and rationalizing the governmentalizing process of international expansion. Our research complements work that focuses on the interstices between state diktat and expatriate managers' autonomy in SOMNCs' overseas operations (Clegg, Voss and Tardios, 2018; Hong, Wang and Kafouros, 2015; Li, Cui and Lu, 2014; Pereira et al., 2021; Wu, Wood and Khan, 2021). Our case study findings in a regional SOMNC identify a notable blend of motives underlying international expansion. Distinguishing itself from politically driven central government SOMNCs and private businesses, the regional SOMNC displayed a strong affiliation towards marketization and autonomy in international markets, whilst its political leanings were carefully 'managed'.

In addition, while extant studies emphasize the dichotomy between government mandate and market conduct (Cuervo-Cazurra and Li, 2021; Kalasin, Cuervo-Cazurra and Ramamurti, 2019; Mariotti and Marzano, 2019), our findings recognize the interdependent relationship between the regional government and SOMNCs, in which political appeals and market imperatives can be mutually beneficial and complementary. In particular, we single out the dynamic role of Chinese expatriate managers in their reinterpretation of the business-government relationship, within which SOE identity and government affiliation are skillfully deployed to facilitate overseas expansion. With their distinctive

expertise and managerial know-how, GS, JN, and their expatriate managers appear to have successfully aligned themselves and their local (host) conditions to the Chinese government's rationalities and programs. Hence, the state's political vision translates into a form of self-governance, and thereby bridges the 'macro' and the 'micro' operations of power within the governmentalization process (Ablo, 2017; Jessen and von Eggers, 2019; Jessop, 2007; Raffnsøe, Mennicken and Miller, 2019).

Having said this, our research investigates the dynamic roles of SOMNC expatriate managers in aligning business strategies and managerial practices with state ends while adapting to local market demands in the African markets. This echoes Luring's (2013) call for more management studies on the interpretation and practices of multinationals and their managers in "balancing between global integration and local responsiveness" (p. 211). Therefore, our research findings can be of interest to host-country policymakers and local managers, for example in terms of defining the conditions/expectations for expatriate managers' recruitment and the involvement of SOMNCS in multiple local economic sectors. The findings are also meaningful for future management studies and MNC policymaking in other so-called emerging economies, such as Brazil, Russia, India, South Africa, and Vietnam, which may exhibit similar governmentality systems to that of China.

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