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Introduction

Despite its small size, Ireland has for several decades been a beacon for foreign direct investment (FDI) by multinational enterprises (MNEs). This success is largely predicated on a combination of incentives for FDI, primarily low corporation tax but also a pronounced emphasis on what might be broadly termed as ‘Human Resource’ factors, namely the supply, quality and education of its workforce and other related factors such as labour flexibility, productivity and the country’s talent pipeline (Barry, 2004; Gunnigle and McGuire, 2001; IDA Ireland, 2017a, 2017b; Mayuya & Jacobson, 1991). While these incentives have been demonstrably effective in attracting FDI from the US and many developed western economies, Ireland has attracted very little investment from China, now one of the world’s largest sources of outward FDI. This paper seeks to partially address this conundrum through its aim of empirically investigating the impact of human resource and industrial relations (HR/IR) considerations on the location decision of Chinese MNEs in Ireland. To realise this aim, we address two specific research objectives, viz. (i) to identify and profile the population of Chinese MNEs in Ireland and (ii) subsequently empirically explore the impact of HR/IR considerations on the decision of these Chinese MNEs to locate in Ireland. By using the term of “HR/IR”, this article attempts to adopt and explore generic concepts of human resources and industrial relations in their broad sense, namely to embrace all issues of and approaches to labour and workforce management, such as labour costs, quality, supply, trade union coverage and recognition and others, in a similar fashion that has been extensively significantly deployed in the extant literature (cf. Boxall, 1999; Cooke, 1997; Cooke and Noble, 1998; Collings, 2008; Gunnigle and McGuire, 2001; Mayuya & Jacobson, 1991; Storey, 2007; Voss, 2001).

In the next sections, we firstly review previous scholarly inquiry on the examination of HR/IR considerations on the FDI decision making, through which the rationale underpinning the research aim of investigating the impact of HR/IR considerations on Chinese FDI in Ireland is presented. Following this, the paper sets out the research background and context by reviewing previous scholarly inquiry on the pertinent areas of the growing outward FDI from China, the FDI experience of Chinese MNEs in other jurisdictions and geographies and the Irish experience in attracting inward FDI. In so doing, the rationale for selecting China as home country and Ireland as host country is presented and addressed in addition to a clear demonstration of the gaps in this body of literature to date. We then outline the methodology employed before presenting our empirical findings, followed by discussion and reviewing our findings in light of previous analogous studies. Finally, the paper outlines the conclusions, contribution and limitations of this work.

Why focus on HR/IR factors?

The extant literature on FDI location is primarily concentrated on applying mainstream theories, notably from conventional economics, international business, institutional and cultural perspectives (cf. Buckley et al., 2007; Cheng, 2007; Cooke and Lin, 2012; Dunning, 2000). Studies from these mainstream domains have identified a wide range of factors that impact on the FDI decision-making of MNEs, viz. market characteristics, legal and business environment, infrastructure, geographic location, FDI promotion incentives, institutional assistance and support, education, language, cultural distance or proximity, etc. (Buckley et al. 2007, 2008; Dunning 1993, 2000; Du et al., 2012; Johanson & Vahlne, 1977). With respect to the theoretical frameworks on FDI decision-making, Dunning's eclectic paradigm of MNEs (Dunning 1993, 2000) is one of the most fundamental and widely accepted theoretical frameworks in the extant literature. According to this paradigm, there are three critical conditions for firms to conduct FDI activities, namely having and/or exploiting *ownership (O)*

advantages, *location (L) advantages* and *advantages of internalization (I)*. Arguably, Dunning's paradigm implies that HR/IR issues might have an impact on MNE's FDI decision-making through influencing the extent of MNE's establishing and/or exploiting the *O-L-I advantages* (i.e. ownership advantage, location advantage and advantage of internalisation). This theoretical perspective of the possible impact of HR/IR on FDI decision-making is adopted and addressed within some previous studies (cf. Cooke, 1997; Cooke and Noble, 1998; Gunnigle and McGuire, 2001; Ham and Kleiner, 2007), which are elaborated upon in the following section.

A comprehensive examination of this work indicates that HR/IR perspectives on FDI location have attracted limited consideration. However, there are some notable exceptions such as the work of William N. Cooke (1997) and others which found several HR/IR issues impacting the location decision of FDI and thus providing important pointers for the present inquiry (Cooke, 1997; Cooke and Noble, 1998; Gunnigle and McGuire, 2001; Ham and Kleiner, 2007; Kleiner and Ham, 2003; Mayuya & Jacobson, 1991). For instance, Cooke and his colleagues developed a model of FDI that incorporated a mix of HR/IR issues in their examination of the location decision of US FDI abroad, notably compensation, government layoff restrictions, works councils, union coverage, centralised negotiations, collective bargaining coverage and education, all of which were found having significant impact on the distribution of US FDI abroad (Cooke, 1997; Cooke and Noble, 1998). In a similar vein, Ham and Kleiner (2003, 2007) also integrated HR/IR considerations in their model for examining the FDI distribution within OECD countries, covering the whole IR system (comprising labour law, trade union coverage and density, bargaining levels and centralisation, and worker representation) and some labour market factors (such as education, compensation and unemployment). All of these factors were found to have a statistically significant impact on the FDI distribution in OECD countries. Finally, Gunnigle and McGuire (2001) conducted an

in-depth qualitative empirical investigation of US FDI in Ireland, identifying several HR/IR factors impacting on the inward investment decisions of US MNEs in Ireland, notably labour quality, availability, regulation and trade union recognition and status. Importantly, this study also notes that the existing knowledge and evidence found within this body of scholarly inquiry were mostly based on FDI experience of MNEs from developed economies, particularly from the US, with very limited evidence on MNEs from developing economies, such as China.

Premised on the above theoretical perspectives, this study seeks to adopt more generic concepts of human resource and industrial relations in their broad sense. It aims to embrace all issues of, and approaches to, labour and workforce management, in a similar fashion that has been deployed in previous cognate studies (cf. Boxall, 1999; Cooke, 1997; Cooke and Noble, 1998; Collings, 2008; Gunnigle and McGuire, 2001; Kaufman, 2001; Mayuya & Jacobson, 1991; Storey, 2007; Voss, 2001). In line with these scholarly investigations, the broad HR/IR areas examined in this paper are labour costs, labour quality, labour availability, labour regulation and industrial relations (specifically trade union presence and impact and collective bargaining coverage), all of which are discussed below (Cooke, 1997; Gunnigle and McGuire, 2001; Ham and Kleiner, 2007; Mayuya & Jacobson, 1991).

Labour Costs

The issue of labour costs is arguably a very important consideration for MNEs in their selection of FDI locations (Bognanno et al., 2005). While some studies found that high labour costs negatively impacted on the location decisions of inward investing MNEs (Bellak et al., 2008; Mody and Srinivasan, 1998), others found no such impact (Cooke, 1997; Dunning, 1993). Turning to the present study of Chinese MNEs in Ireland, the issue of labour costs is arguably a more critical factor for investigation given the substantial wage gap that historically existed between the two nations. For instance, China's average annual wage was

reported as being less than €200 during the 1980s (China's National Bureau of Statistics, 2001). While it was greatly increased during the 1990s, China's average annual wage was still less than €1000 pre-2000 (China's National Bureau of Statistics, 2001). In contrast, Ireland's average annual wage was circa €10,555 during the 1980s and €17,229 during the 1990s (CSO, 1981-2001). In other words, the average yearly wage of an Irish worker was significantly greater than that of a worker in China. More recently, a significant wage gap still exists between the two nations (China's National Bureau of Statistics, 2016; CSO, 2016), indicating the possibility of finding a negative impact of labour costs on Chinese FDI in Ireland. However, Ireland is reported to have comparative advantage in labour costs when compared to some larger developed economies, such as the US, Canada, Australia, Germany and the UK which have all attracted relatively larger volumes of Chinese FDI (Buckley et al., 2007, 2008; Deng, 2013; OECD, 2017). Thus, labour costs in Ireland may be perceived differently by inward investing Chinese MNEs. In summary, labour costs in Ireland may be seen in a positive light (relative to higher-cost foreign locations) or perhaps negatively (being more expensive compared to home country). Either way, the issue of labour costs represents an important HR/IR factor for investigation among the cohort of Chinese MNEs in Ireland.

Labour quality and labour availability

A host country's HR/IR 'system' may impact foreign investors' location decisions not only in terms of labour input costs, but also through the distinctive skills and competencies of the labour force, i.e. labour quality and availability (Day and Wensley, 1988). Within this body of scholarly inquiry, studies on US FDI found that labour quality and labour availability exerted a significant positive impact on the location decision, both in developed and developing countries (Cooke, 1997; Gunnigle and McGuire, 2001; Lin, 2011; Mayuya & Jacobson, 1991). A strong positive relationship was also found between labour quality and the location decision of FDI originating from other developed economies, such as Japan,

South Korea and many European developed countries (c.f. Mody and Srinivasan, 1998; Rios-Morales and Brennan, 2007). However, available studies on FDI originating from developing countries (such as from China) reported that labour quality and availability had a much lower impact on location decisions, a phenomenon often attributed to different MNE ownership advantages and the effect of different industry sectors (Cheng and Kwan, 2000; Lin, 2011).

Labour regulation and industrial relations

In the extant literature, labour laws, trade unions and collective bargaining coverage are all identified as factors that may significantly impact the location decision of FDI (Bognanno et al., 2005; Cooke, 1997; Gunnigle and McGuire, 2001; Mayuya & Jacobson, 1991). Notwithstanding a very recent body of literature suggesting a positive correlation between FDI location and high union density levels (Haufler and Mittermaier, 2011), the majority of scholars in this domain found that labour law and trade union-related regulation were perceived as negative factors by MNEs. This is primarily because of the added costs and management challenges associated with such legislative and union-related constraints (Cooke, 1997; Radulescu and Robson, 2008). It would therefore seem that MNEs are usually attracted to countries and locations with similar or, ideally, lower levels of labour and employment regulation and trade union presence when compared to their home country. Turning to the present investigation, evidence is found in the literature indicating that the Irish context has greater labour regulation and independent trade union influence and power when compared with China (Warner and Ng, 1999), which in turn might be considered as likely to discourage Chinese MNEs in terms of locating their FDI activities in Ireland. However, on the other hand, Ireland is generally perceived in the West as having a somewhat more permissive legislative and IR regime than many of its larger EU counterparts (such as Germany or the Nordic and Scandinavian countries), conveying some potential comparative advantage for Ireland in attracting inward FDI (Gunnigle and McGuire, 2001; Lavelle, 2008; Mayuya &

Jacobson, 1991). From this perspective, labour regulation and IR might be positively, rather than negatively, perceived by some Chinese MNEs in Ireland. Again, either way, labour regulation and IR represent an important area of investigation among Chinese MNEs in Ireland.

Why China as home country and Ireland as host country?

According to the *United Nations Conference on Trade and Development* (UNCTAD) database, the pattern of global FDI has been changing, with a significant increase of outward FDI from developing and transition economies and a relative decline of outward FDI from developed economies (UNCTAD, 2006, 2008, 2009, 2010, 2011, 2014). Among the developing and transition economies, China is the largest source of FDI (Buckley et al., 2007, 2008; Deng, 2004, 2013; Cooke and Lin, 2012; Kang and Jiang, 2012; UNCTAD, 2010, 2011, 2014). Over a twelve-year period (2002-2013), China has achieved significant increasing momentum in outward FDI including sustaining strong performance through the recent global recession (MOFCOM, 2014). In 2013, net FDI outflows from China reached a record level of \$101 billion, successfully maintaining its position as the world's third largest outward investor for a second consecutive year (MOFCOM, 2014; UNCTAD, 2014). By the end of 2013, Chinese MNEs were reported to have invested in 184 countries globally, covering almost 80% of countries, and established some 25,000 overseas subsidiaries and hired almost two million overseas employees (MOFCOM, 2014).

Regarding the extant literature on Chinese FDI/MNEs, the overall picture is that while observing an increased scholarly inquiry on Chinese FDI/MNEs over recent years, significant gaps remain in the empirical data which might better analyse and conceptualise FDI behaviours by Chinese MNEs (c.f. Buckley et al., 2007, 2008; Cooke, 2012; Cooke and Lin, 2012; Kang and Jiang, 2012). Many key issues have not yet been explored or examined in depth, particularly the motives driving Chinese MNEs to invest abroad and the factors

impacting upon the FDI decision of Chinese MNEs (Cooke, 2012; Deng, 2004, 2013; Kang and Jiang, 2012). Furthermore, it is also observed that previous work on patterns of, and motives for, Chinese outward FDI is largely based on evidence from Chinese MNEs in either emerging economies (e.g. in Asia and Africa) or larger developed economies (e.g. the United States, Canada, Australia, Germany and the United Kingdom) (cf. Buckley et al., 2008; Cooke and Lin, 2012; Deng, 2013; Kang and Jiang, 2012). Very limited evidence is found on the FDI experience of Chinese MNEs in some smaller developed economies. This is despite the fact that quite a few smaller developed countries are recognized as important host locations for FDI, notably Switzerland, the Netherlands, Singapore and Ireland (Blomkvist and Drogendijk, 2016; UNCTAD, 2014).

The Irish case is especially noteworthy given its track record in consistently attracting high levels of inward FDI for well over 50 years and its status as one of the world's most economically globalised economies (continuously ranked first or second since 2009 according to the KOF index of globalisation; KOF, 2015). For instance, over the eleven-year period from 1993 to 2003, Ireland was the largest net recipient of FDI in *Organisation for Economic Co-operation and Development* (OECD) countries, recording a cumulative balance of inflows over outflows of \$93 billion (OECD, 2004). More recently, despite being one of the countries most detrimentally impacted by the global financial crisis, Ireland continued to attract a significant amount of FDI throughout the global recession of 2008 (UNCTAD, 2009, 2014). In 2013, for example, Ireland attracted some \$35.5 billion FDI inflows, making it the third largest recipient of FDI inflows in the European Union (EU) with the total value of Ireland's inward FDI having now accumulated to about \$378 billion (UNCTAD, 2014). In effect, Ireland's performance in attracting mobile FDI far outweighed the European average in terms of its proportionate capacity to attract mobile FDI (Rios and Brennan, 2007). According to the latest reports from Ireland's state agency, IDA Ireland, by the end of 2015,

more than 1,000 MNEs had established significant operations in Ireland, including many of the world's leading MNEs, such as Microsoft, IBM, HP, Apple, Intel, SAP, Citi, Google, Facebook, etc. (IDA Ireland, 2016).

However, deeper analysis reveals that the great bulk of FDI in Ireland originates from the US and Europe and remarkably little FDI from Asia in general, or China in particular (Lavelle, 2008). According to the available official data released by the *Ministry of Commerce of People's Republic of China* (MOFCOM), Chinese FDI in Ireland is low and Ireland has never featured among the top destinations for Chinese FDI into the EU (MOFCOM, 2009, 2014). By late 2013 for example, the total value of Chinese FDI in Ireland only amounted to \$0.32 billion whereas the total value of US FDI in Ireland is \$247.76 billion (MOFCOM, 2014; US Department of Commerce, 2015). This is surprising given 10 years of aggressive FDI promotion in China by Ireland's industrial promotions agency *IDA Ireland*, considered one of the world's most effective investment promotion agencies (Loewendahl, 2001). Consequently, Ireland's failure to attract a higher proportion of Chinese outward FDI significantly contrasts its prodigious success in attracting mobile FDI from the US and other developed Western countries, thus presenting an anomalous phenomenon meriting further research.

Indeed, Ireland has explicitly harnessed the attraction of inward FDI as a vehicle for its economic development for over five decades and its experience has been heralded as a successful model of national economic development around the world (Bailey and Lenihan, 2015; Rios and Brennan, 2007; UNCTAD 2014). Literature to date shows that FDI has played a crucial role in various aspects of Ireland's economic development, such as its exporting performance, employment, productivity, education, innovation, skills development and transfer (Barry and Bradley, 1997; Barry and Bergin 2012). Having evolved over time, Ireland's position as one of the world's most highly globalised economies, and its competitiveness and success in attracting inward FDI, are found to have attributed to a

combination of historical events and other critical factors. These factors include notably including the establishment of Ireland's national industrial promotion agency-IDA Ireland, significant educational configuration, its membership of the EEA (later evolving into the EU), the implementation of FDI-focused industrial and economic strategies and incentives (such as the low corporate tax rate and other tax-related incentives, financial grants for employment, training and R&D), being an English speaking country and being a competitive labour market and IR regime (Barry 2007, 2012; Gunnigle and McGuire 2001; Mayuya & Jacobson, 1991; Rios and Brennan 2007). Among these critical factors identified, a pronounced emphasis on what might be broadly termed as 'Human Resource' factors are observed. These include the supply, quality and education of its workforce and other related factors such as labour flexibility, productivity and the country's talent pipeline (Barry, 2004; IDA Ireland, 2017a, 2017b). This body of literature suggests that HR/IR factors may be a potentially important factor impacting FDI decision-making in Ireland, presenting strong support for this investigation of the HR/IR impact on Chinese FDI in Ireland.

Methodology

This paper draws on data which firstly sought to identify and profile the population of Chinese MNEs in Ireland and subsequently sought to investigate the impact of particular HR/IR factors on their location decision.

In the absence of a database of Chinese MNEs in Ireland, the first step in the research process was to identify and profile the population of Chinese MNEs in Ireland. This proved particularly challenging but was achieved by drawing on primary and secondary data from a wide range of sources. In so doing, some secondary official sources like UNCTAD, OECD and MOFCOM were initially reviewed with the purpose of identifying a population of the leading Chinese MNEs that were reported as frequent overseas investors around the world, which offered some guidance during the initial research process. Following this, a number of

other sources were used including IDA Ireland, Enterprise Ireland, the Embassy of The People's Republic of China in Ireland, related commercial chambers and associations (e.g. *Huaxia Chamber of Commerce, Association of Chinese Professionals in Ireland, Ireland-China Business Network and Ireland-China Business Association*) and some popular media (e.g. the *Irish Times* archive). These sources were found particularly helpful in the collection of effective information and data for compiling the specific population list of Chinese MNEs investing in Ireland. This included the identification of important contacts to access relevant Chinese MNEs for further investigation and acquiring some historical and background information on Chinese MNEs in Ireland. Based on an exhaustive search of all such official public and related sources in combination with a series of field visits, a total of 26 Chinese MNEs were identified as having established FDI operations in Ireland across the time period under investigation, all of which are anonymised in this paper. A full listing of the interviews undertaken is provided in Table 1 while a profile of the Chinese MNEs, listed as Company A to Z (Com. A, Com. B, etc.), is outlined in Table 2.

For the second phase of this study, which sought to investigate the impact of HR/IR factors on the location decision of Chinese MNEs in Ireland, a primarily qualitative methodology involving semi-structured interviews was employed with the purpose of garnering rich and novel insights on the opinions and perspectives of the respondents on research topics. Based on an exhaustive literature reviews, a comprehensive listing of issues for empirical investigation was compiled which formed the basis for the creation of an interview template/guideline as outlined in *Appendix A*. This guiding structure identified categories of issues for investigation and facilitated later systematic analysis to identify key influencing factors and patterns of decision making among the cadre of Chinese MNEs studied. All of the HR/IR factors investigated (viz. labour costs, labour quality, labour availability, labour regulation, and industrial relations) were explored in an interactive fashion. A high degree of

flexibility was given to respondents in terms of how to understand and interpret these HR/IR factors, although some generic explanations were provided for the respondents to aid their interpretation of the meaning of the HR/IR factors.

The choice of a qualitative approach was initially based on the very small presence of Chinese MNEs in Ireland. This significantly confined the sample size to one that falls short of the standard requirement for a quantitative analysis. Consequently, our empirical investigation is posited as illustrative of avenues for further study in countries with a larger Chinese MNE presence. Nonetheless, in social science research, interviewing remains one of the most common forms of collecting data, particularly collecting qualitative data, allowing for a dynamic and interactive researcher-to-respondent dialogue (Bryman and Bell, 2011; Lee and Lings, 2008). A semi-structured interview format is viewed as particularly appropriate for identifying and evaluating the reasons for organisational decision-making as it facilitates a detailed unravelling of the complex linkages and, in particular, the dynamics of formal or informal interactions and responses between Chinese firms and local HR/IR traditions and institutions. This allowed for the collection and analysis of highly valuable insights and data on the main research topics (Ferner et al., 2005). In addition, the adoption of semi-structured interviews represents an effective approach and solution to the common problem of accessing Chinese MNEs, a critical challenge identified in previous studies on Chinese MNEs (Cooke, 2012; Cooke and Lin, 2012). Finally, this approach broadly replicates a previous equivalent study of the impact of HR/IR factors on the location decision of US MNEs in Ireland and therefore facilitates comparison between methodologically similar studies (cf. Gunnigle and McGuire, 2001).

During the second phase of conducting semi-structured interviews, the foremost critical issue identified was to gain access to and secure interviews with relevant Chinese MNEs investing in Ireland. While significant effort was made to gain access to and secure interviewing

opportunities with all of the 26 Chinese MNEs profiled in Table 2, it proved to be an impossible task for the researchers in the practical research process due to the limited time, funding, limited contacts, and the fact that some of the MNEs had closed and left Ireland. The researchers successfully gained access to eight Chinese MNE subsidiaries in Ireland. These MNEs' experience of locating in Ireland was retrospectively investigated through 14 in-depth interviews with their senior executives and managerial personnel (see Table 1). The eight Chinese MNE subsidiaries interviewed are coded as Com. B, Com. D, Com. I, Com. K, Com. L, Com. N, Com. O, and Com. R- see Table 2 and Table 3 for more details. It is very important to note that significant consideration was given to ensure that "*the most knowledgeable and authoritative respondent*" was always used across the whole interviewing process, in a similar fashion that has been exemplified in the extant literature (cf. Edwards et al. 2013; Wright et al. 2001). The adoption of such high-level criteria in selecting interviewees greatly advanced the quality and suitability of every respondent and consequently significantly improved the validity and quality of the data collected. In this study, these knowledgeable and authoritative respondent(s) included Chief Executive Officers, Managing Directors, General Managers, HR managers or other senior managers (see Table 1), who provided highly valuable insights and crucial qualitative data on all of the main research topics (such as initial investing motivations, strategies, entry methods, investing sectors, primary products and activities and the influential factors, including the HR/IR factors).

(Table 1 approx. here)

In addition to these in-depth interviews with managerial personnel employed in relevant Chinese MNEs in Ireland, this study extended the scope of the interview process to cover other key informants who are independent from Chinese MNEs, such as personnel from industrial promotions agencies and other relevant bodies knowledgeable on FDI/Chinese FDI

and research scholars in the field of FDI. In total some 26 in-depth interviews were conducted with other independent informants of significant relevance, including six in-depth interviews with senior executive and managerial personnel from Ireland's industrial promotion agency (IDA Ireland), seven in-depth interviews with senior executive and managerial representatives from China-Ireland Commercial Chambers and Associations and other relevant bodies dealing with FDI/Chinese FDI, and 13 in-depth interviews with individual business and academic expert informants who have frequent engagements and interactions with relevant Chinese MNEs in Ireland and/or with extensive knowledge on Chinese FDI/MNEs (see Table 1). In strict compliance with the high-level criteria adopted for interviewee selection, all of the other expert informants interviewed held senior or high levels of job positions, such as Regional Directors, Chairpersons, Chief Executive Officers and other managerial personnel from industrial promotion agencies such as IDA Ireland, China-Ireland Commercial Chambers and Associations and other relevant organizations, and some senior business professionals and research scholars of significant relevance (see Table 1). Consequently, some valuable independent opinions and perspectives were collected from the 26 in-depth interviews with above key expert informants, which helped to counterpoise and better inform the opinions and insights gained from the MNE respondents. In so doing, a fully-rounded and objective perspective was acquired and offered on each of the topics under investigation in this study (see the later finding section).

Given one of the author's proficiency in both Mandarin and English, interviewees had the option of being interviewed in either Mandarin or English. The majority of interviews were conducted face-to-face (37) with just three interviews conducted by telephone. Thirty-six interviews were digitally recorded whilst detailed notes were taken during the other four interviews. All digitally recorded interviews were transcribed verbatim and coded and analysed using *NVivo 10*, a data analysis software frequently used for comprehensively

managing large amount of qualitative data. Detailed notes were taken in the remaining four interviews and these were also subsequently coded and analysed using *NVivo 10*.

Findings

Population of Chinese Firms in Ireland

Based on the primary and secondary data collected, a table was compiled that summarily outlines the effective years, investing sectors, employment size and investing methods of the 26 Chinese MNEs identified across the time period under investigation, viz. 1982 to 2014 (see Table 2). This data demonstrates that the first wave of outward FDI from China into Ireland dated from the early 1980s and comprised a comparatively small number of Chinese MNEs mainly involved in the manufacturing sector. These MNEs entered Ireland via greenfield sites and employed relatively large number of workers in the Irish context, with the biggest MNE employing more than 1,000 workers. This first wave of Chinese MNE investment in Ireland had all exited Ireland by the late 1990s or early 2000s. Turning to the current millennium, it is found that while greater numbers of Chinese firms have located in Ireland since 2000, their pattern of investment differs from the first wave in a number of respects. Firstly, they employ much lower numbers of employees on average and are predominantly located in the services sector, especially in internationally traded services such as information and communications technology (ICT) and financial services (notably aviation leasing). Regarding their principal investing methods, again this often occurred through greenfield sites though some recent Chinese MNEs entered Ireland via mergers or acquisition. In light of some secondary sources and extant literature, it appears that the above empirical findings on recent Chinese MNEs investing in Ireland is broadly in line with the overall pattern of observing an increasing number of Chinese MNEs investing in service sectors in other western developed countries, with the majority hiring relatively small numbers of employment locally (MOFCOM 2007, 2009, 2014; Deng 2004, 2013).

(Table 2 approx. here)

Impact of HR/IR Factors on Chinese FDI in Ireland

The paper now turns to present empirical findings on the impact of the specific HR/IR factors, namely labour costs, labour availability, labour quality, labour regulation and IR. These findings are summarised in Table 3 and discussed below.

(Table 3 approx. here)

Labour costs

The first issue addressed was the impact, if any, of labour costs on the location decision of Chinese FDI in Ireland. Based on the data collected, the issue of labour costs was identified as a negative factor impacting upon the location decision of early investing Chinese MNEs in Ireland. For instance, during the in-depth interviews with senior executives and managers who worked for two early investing Chinese MNEs in Ireland, significant evidence was observed to illustrate the negative impact of Ireland's much higher labour costs on the location decision (see Com. B and Com. D in Table 3). In effect, the management narrative in these early MNEs was all around the huge wage-disparity between China and Ireland at the time.

“I suppose eventually, there were a couple of things in (the nominated Chinese MNE). One was (that) the labour costs were high in terms of manufacturing (in Ireland)... We, the management team, were trying to make our plant more and more efficient, faster, better...we were always fighting with the (labour) costs!”

----Managing Director, Company D

However, this study observed a very different perspective on the impact of labour costs on the location decision of more recently-established Chinese MNEs in Ireland. Most respondents in this cohort of MNEs reported that labour costs had no significant impact on the location decision. It was particularly noteworthy that none of the senior executive

respondents interviewed in the six more recently-established Chinese MNEs felt that labour costs significantly impacted on their location decision (see Com. I, Com. K, Com. L, Com. N, Com. O and Com. R in Table 3). While these more recently-established Chinese MNEs were certainly concerned with wage differentials between China and Ireland, and their Chinese headquarters may, at times, have pressurised the Irish management team to control overall employment expenditure, the preponderance of opinion indicates that higher Irish labour costs have not acted as a negative factor discouraging the decision of Chinese MNEs to locate in Ireland. This may be related to their headquarters' better understanding and acceptance that Irish labour costs, while higher than China, are in line or indeed lower than many other EU countries (Eurostat, 2015). Consequently, it appears that labour costs was a lesser concern for Chinese firms of recent vintage, as illustrated in the following observation:

“Certainly, there is a concern for the higher cost of labour in Ireland. But I mean the people who are responsible like (name of CEO of Chinese MNE)...they understand that Irish salaries are not that different from American salaries or British salaries, despite being very different from Chinese salaries.”

---Managing Director, Company R

Labour quality and availability

With respect to the impact of labour quality and labour availability on the location decision, our study again observed different impacts between early and more recent Chinese MNE entrants. For early entrants, labour quality did not emerge as a critical consideration in the location decision (see Com. B and Com. D in Table 3). However, labour availability was reported as a reasonably positive - if not a key driving factor - on the location decision of early Chinese MNE entrants (see Com. B and Com. D in Table 3). For instance, one managerial respondent noted that Ireland experienced high unemployment in the 1980s, thus

providing an adequate supply of young labour which was positively perceived by early Chinese investors and illustrated in the following observation:

“One (good) thing is that Ireland had so many people at that time...We never had (a) problem of finding people. We just simply advertised on the local newspapers and then we could get a bunch of candidates to apply for the jobs.”

----Managing Director, Company B

For more recent Chinese MNE entrants, the majority of interviewees identified labour quality and labour availability as a positive factor impacting on the location decision. Among the six more recent Chinese MNEs investigated, a majority (five of the six) felt that Ireland had a highly skilled, dynamic and flexible workforce as well as strong research capabilities within a variety of disciplines. This was, in turn, perceived as a factor positively impacting on the location of recent Chinese firms (see Com. I, Com. L, Com. N, Com. O and Com. R in Table 3). For instance, a few managerial respondents from Chinese MNEs specializing in high-technology sectors highlighted the critical importance of third level institutions in favourably impacting on their location decisions, as illustrated in the following observation:

“A lot of the jobs would require technical people, especially electronic graduates...and obviously, (Ireland) fits that bill with a technical college just across the road, very easy for (the nominated Chinese MNE) to get the skilled electronic graduates...that was one of the main reasons that the company located here.”

----Managing Director, Company L

In a similar vein, senior executives in a recent Chinese MNE specializing in international financial services commented that the specific skills and competencies available in the Irish workforce in the targeted sector were a key positive factor that enhanced Ireland’s locational advantages and encouraged Chinese firms to locate in Ireland:

“We found that one of the key reasons (why) we are here is the talented people here in Ireland...There is great expertise in (the nominated service sector) in Ireland...our business mainly focuses on (the nominated service sector) ...above all, the labour quality is very good here.”

----Deputy Managing Director, Company O

Labour regulation and Industrial relations (IR)

Regarding the impact of labour regulation and IR considerations, our study again observed different impacts on the location decision between early and more recent Chinese MNE investment in Ireland. Like labour costs, early investing Chinese MNEs tended to focus on labour regulation and IR in Ireland in comparison with China as opposed to comparing Ireland with other potential European destinations. Their experience was that labour regulation and trade unions played a much more important and influential role in business affairs in Ireland in comparison with China and consequently viewed this as a negative factor in regard to decisions on location (see Com. B and Com. D in Table 3), as illustrated in the following observation:

“(Early) Chinese MNEs were a bit worried about having the unions initially...because the industry at that time was quite regulated...unions were very strong ...the pay rates for workers in the factory were fixed, hours of working and everything was regulated and negotiated with the unions...there was a fear (for early Chinese MNEs) that people were going to tell them how to run a factory in Ireland.”

----Managing Director, Company D

However, a different picture emerged among more recently-established Chinese MNEs. The vast majority of interviewees in these later entrants commented that trade unions were viewed as an insignificant factor. Consequently, they reported that little attention was paid to the impact of union-related issues (e.g. union presence and influence and collective bargaining

coverage) on their location decisions (see Com. I, Com. K, Com. L, Com. N, Com. O and Com. R in Table 3). Regarding labour regulation, the general consensus was that labour regulation on working time, remuneration, overtime, dismissal, redundancy and health and safety had no major bearing on the location decision. Most recently-established MNEs did not view labour regulation as an issue, positively or negatively, impacting on their location decisions (see Com. I, Com. K, Com. L, and Com. R in Table 3).

This work did however identify one specific aspect of employment regulation in Ireland which was identified as problematic. This related to the employment of non-European Economic Areas (EEA) nationals in Ireland. As noted in interviews, Chinese MNEs prefer to transfer staff from their headquarters or to hire Chinese nationals from the local labour market for their Irish subsidiaries (Jackson and Horwitz 2017; Shen and Edwards, 2004), all of which require employment permits from the Irish State. The regulation of employment permits in Ireland is covered by the *Employment Permits Act (2003-2014)* and includes a number of requirements. For example, employers in Ireland are only permitted to hire non-EEA nationals up to 50% of their workforce; employment permits are only granted for highly skilled occupations (such as professionals in ICT, engineering, science, health and senior business managers and executives). Additionally, employers are required to advertise the job vacancies in national or local newspapers or on-line websites for a certain period of time before the appointment of Non-EEA nationals. Findings in this study indicate that these additional requirements and procedures were negatively perceived by Chinese MNEs because of the added workload and costs (see Com. I, Com. K, Com. L, Com. N, Com. O and Com. R in Table 3), as illustrated in the following observation:

“In this service sector, we prefer to hire Chinese or Asian people, because European nationals do not understand (the nominated service sector), and they cannot speak

Mandarin or understand the Chinese culture...but it's usually more difficult for us to apply (for) visa(s) for our Chinese staff in Ireland than in the UK.”

---Regional Manager, Company K

Discussion and analysis

Having presented empirical findings on the impact of HR/ IR factors on the location decision of Chinese MNEs in Ireland, the paper now considers their import. In so doing, we specifically evaluate the findings on Chinese FDI in Ireland in light of similar studies in the extant literature, notably the available cognate studies on US FDI in Ireland which investigated the impact of broadly equivalent HR/IR factors.

As illustrated above, labour costs were reported as a negative factor impacting on the location decision of early investing Chinese MNEs in Ireland. This is despite the fact that Irish labour costs were then lower than many larger western European countries at the time (Barry, 2004, 2007; MOFCOM, 2009). It also contrasts with evidence from US MNEs of this period who generally perceived Ireland as having comparatively lower labour costs than the US and many of the countries that made up the European Economic Community (EEC) and was therefore, viewed as a positive factor regarding Ireland's attractiveness to inward investing US MNEs in the 1970s and 1980s (Buckley and Ruane, 2006). Arguably, the main reason for this negative perception of Irish labour costs among early Chinese investors was related to the home country's (China's) strong competitiveness in labour costs at the time of investment, i.e. in the 1980s and 1990s (Kang and Jiang, 2012). As already noted earlier in the literature review, Chinese labour costs were significantly lower than that in Ireland in the 1980s and 1990s. For instance, the average of Chinese labour costs in the 1990s were reported as accounting for only 1/12 or 1/14 of the Irish labour costs at the time (China's National Bureau of Statistics, 2001; CSO, 2000). This study found that early Chinese investors tended to focus particularly on the comparative pay differential between China and Ireland and

consequently tended to underplay, and perhaps have less awareness of, Ireland's comparative advantage in labour costs within the European context of the time. In contrast, more recently-established Chinese firms in Ireland adopted a more pragmatic and possibly more systematic approach in comparing labour costs in Ireland with those in other potential EU locations, rather than simply focusing on host-home country comparison. Thus, labour costs were viewed in far less negative terms and were reported as exerting little impact on the location decision. We identify three broad reasons to help explain the progressive decline in the influence of labour costs on the location decisions of Chinese MNEs in Ireland over time. The first relates to the progressive narrowing of the gap in labour costs between the two nations mostly due to the recent rapid rise in labour costs in China (China's National Bureau of Statistics, 2016) and the reduction in Irish labour costs due to the effects of the global financial crisis from 2008 (CSO, 2016). For instance, while still lagging behind Ireland, the average of China's annual wage has been dramatically increased to the record of approx. €9,000 by the end of 2015 in comparison to the average of Ireland's annual wage of €36,519 in the same year (China's National Bureau of Statistics, 2016; CSO, 2016). Second, as observed from the interview data collected, headquarters of recent Chinese MNEs have developed a better understanding and acceptance of wage differences between China and western developed countries (including Ireland). Third, through profiling the population of Chinese MNEs in Ireland, it is found that the most recent investment by Chinese MNEs in Ireland is very small in terms of numbers employed, with only a handful of Chinese MNEs hiring more than 100 employees. Consequently, labour expenditure was generally very low and not a particularly critical consideration on location decisions (Bellak et al., 2008).

The second issue analysed and compared is the impact of labour quality and labour availability on the location decision of Chinese and US FDI in Ireland. As alluded to earlier, Ireland had a very loose labour market and high unemployment during the 1980s with a much

higher unemployment rate than many other developed countries such as the US, the UK and Germany during the 1980s (Barry, 2004). When compared to China, Ireland was reported as having a much higher unemployment rate, reaching levels of 17% in the mid-1980s (CSO, 1981-2001). This was perceived by early Chinese MNEs as offering some location advantage, such as greatly facilitating their recruitment and selection activities, and consequently positively impacted on their location decision. Turning to the impact of labour quality, while reported as an insignificant factor on the location decision of early Chinese investors, our evidence shows that labour quality, particularly the availability of specialist skilled labour, was perceived as a more important consideration in the location decisions of more recently-established Chinese firms. This is in line with similar findings on US MNEs in Ireland which identified labour quality as a significant positive factor contributing to the location decision (Ferreira and Vanhoudt, 2004; Gunnigle and McGuire, 2001; Mayuya & Jacobson, 1991). Arguably, the main reason for the increasing importance of labour quality on recent Chinese FDI in Ireland relates to a changing sectoral focus. As noted in Table 2, all of the early Chinese FDI in Ireland was located in the manufacturing sector whereas more recent Chinese FDI was predominantly located in niche services sectors, especially ICT and international financial services. Generally speaking, such niche service sectors have more ‘intangible attributes’ and ‘greater dynamics’ when compared to low-value manufacturing industries (Mohanty and Lakhe, 2013). Therefore, labour quality is likely to exert a greater influence on the location decisions of recently-established Chinese MNEs hoping to garner competitive advantage from the ‘superior skills’ or ‘distinctive competencies’ of the Irish labour force (Day and Wensley, 1988, p.2).

With respect to the impact of labour regulation and IR, again mixed evidence was found. Ireland is generally perceived in the West as having a somewhat more permissive IR regime than many of its larger EU counterparts (such as Germany) or indeed smaller countries (such

as Denmark or the Netherlands) (Lavelle, 2008). This is viewed by US MNEs in particular as conveying ‘comparative advantage’ on Ireland in attracting inward FDI as a result of relatively less restrictive legislative and IR system and thus a positive factor in attracting US FDI (Gunnigle and McGuire, 2001; Mayuya & Jacobson, 1991). In contrast, this investigation found that labour regulation and IR were reported as having a negative impact on early investing Chinese MNEs. At the time of initial Chinese outward FDI into Ireland (i.e. from the early 1980s), China hugely lagged behind Ireland and other European countries in regard to the extent and enforcement of labour regulation and development their IR system, particularly the extent of independence of Chinese trade unions and the nature and scale of collective bargaining (Warner and Ng, 1999). Reflected in the data collected, the Irish context was characterised by greater labour regulation and trade union influence and power when compared to China, all of which were perceived as creating both extra costs and managerial challenges for early Chinese MNEs. However, when comparing the experience of more recently-established Chinese FDI against US FDI in Ireland, this study identifies diminishing variability between both cohorts of MNEs. For more recently-established Chinese MNEs, the regulation on general labour and employment issues was reported as having no significant impact on the location decision – this is at a time of falling trade union density but a growing body of employment legislation in Ireland. This may in part be attributed to the impact of China’s new labour laws (revised in 2001) and a growing awareness and usage of the legal arena by Chinese workers (Chan, 2005).

Overall, our findings on Chinese MNEs in Ireland provide a somewhat mixed picture. As elaborated above, labour costs, labour regulation and IR were generally reported as causing some disadvantages rather than creating any so called *O-L-I advantages* for early Chinese MNEs and consequently they were identified as negative factors impacting on early Chinese MNEs. In contrast, for recent Chinese MNEs, these HR/IR issues were no longer viewed as

causing major disadvantages, mainly attributed to the narrowing wage and regulatory gaps between Ireland and China and to Chinese headquarters' greater understanding of the nuanced differences between the two nations in relevant HR/IR aspects. However, neither were they creating any important *O-L-I advantages* and consequently they were generally found to have no significant impact on the location decision of recent Chinese MNEs. Regarding labour quality, while identified as an insignificant factor on early Chinese MNEs, it was generally perceived as creating some important location and ownership advantages for recently-established Chinese MNEs and thus was perceived as a positive factor on their location decision primarily due to their changing sectoral focus.

In light of the extant findings on US MNEs in Ireland, this work observed no great differences in regard to the impact of HR/IR factors on the location decision of US and Chinese MNEs in Ireland. However, in regard to process, it was generally found that US MNEs engaged in a more overt and deliberate evaluation of the HR/IR regime of potential host locations according to a reasonably-specific set of criteria. In contrast, Chinese MNEs seemed somewhat less systematic in their approach to the evaluation of the HR/IR regime of potential host locations for their FDI activities. This may well be due to the fact that Chinese MNEs are comparative latecomers to 'internationalisation' in the modern era and consequently may be disadvantaged due to their relatively lower levels of experience in evaluating foreign locations (McDonnell et al., 2014). Of course this finding must be accompanied by the caveat that while having reliable and representative data from a very large numbers of US MNEs in Ireland, the opposite is the case for Chinese MNEs where there has been little or no empirical investigation of the small numbers of Chinese MNEs in Ireland.

More broadly, our findings suggest that HR/IR issues are rarely 'deal-breakers' in decisions on the location of MNE subsidiaries. Consequently, scholars must look outside the HR/IR

domain to explain the low levels of Chinese FDI in Ireland when compared to the US. The most fruitful line of inquiry in this regard is to investigate the primary investment motives of US and Chinese FDI. In this investigation of Chinese FDI in Ireland, it was found that the first wave of investment by Chinese MNEs was not related to traditional economic motives (e.g. market seeking or resource seeking) (Dunning, 1993, 2000), but rather to geo-political reasons. All of the early investing Chinese MNEs in Ireland (see Table 2) originated from Hong Kong (HK). As reflected in our empirical data, their investment behaviours were mainly driven by non-economic reasons, specifically the political unrest occurring in the home region of HK at the time of investment (i.e.1980s). These geo-political motives proved dominant and rendered managerial and organisational factors such as HR/IR less significant. Quite a few senior executive respondents in these MNEs commented that a high level of political unrest and uncertainty existed in HK before the transfer of governance to mainland China (Carroll, 2007). Emanating from fears of re-integration with mainland China and possible loss of investment, this unrest spurred members of the HK business community to actively investigate opportunities to move investment to ‘safer’ locations outside of HK and mainland China to protect their financial interests (Carroll, 2007; Li, 1997). However, HK’s political upheaval proved transitory and was largely resolved later in the 1990s, primarily due to ‘Beijing’s non-interference’ in HK’s affairs as permitted before the handover that in turn conveyed ‘a rising public confidence’ in HK’s political future (Carroll, 2007, p.222). Correspondingly, all of the early investing Chinese MNEs in Ireland progressively exited their Irish investments after the HK political settlement. Therefore, the political unrest before HK’s handover, identified as one primary motive for early Chinese FDI in Ireland, and its later ‘settlement’ explains the limited longevity of Chinese FDI into Ireland before the turn of the millennium.

In effect, Dunning's (1993, 2000) theoretical framework on MNEs' investment strategies provides further explanation for the low levels of Chinese FDI into Ireland. According to Dunning (1993, 2000), FDI activities are categorised into market-seeking, resource-seeking, efficiency-seeking and strategic-asset-seeking. Turning to the Irish context, in accordance with extant studies, the predominance of its inward FDI can be characterised as primarily 'efficiency-seeking' (Barry, 2007; Barry and Bergin, 2012). For instance, the majority of US FDI in Ireland can be categorised as 'efficiency-seeking' and consequently attracted to Ireland due to, *inter alia*, its membership of the EU, low corporate tax, labour availability, quality and flexibility and its permissive employment regulation and industrial relations system in comparison with many other EU countries (e.g. Germany, France and UK) (Gunnigle and McGuire, 2001; Mayuya & Jacobson, 1991). In contrast, extant literature indicates that the great bulk of Chinese outward FDI is generally perceived as either market- or resource-seeking, both criteria on which Ireland generally performs quite poorly (Cooke, 2012; Deng, 2004). Only very limited evidence is found to suggest that Chinese outward FDI is driven by efficiency motives in regard to factors such as taxation, supply chain logistics or labour issues (Buckley et al., 2008; Kang and Jiang, 2012). Indeed, the apparently limited emphasis on efficiency-seeking among Chinese MNEs contrasts with Ireland's particular reputation for attracting efficiency-seeking FDI, particularly its impressive track record in attracting high levels of efficiency-seeking US FDI. Thus, the fact that Ireland attracts very low levels of Chinese FDI is not all that surprising in spite of its status as one of most FDI-dependent economies in the world and its particular attractiveness to US MNEs. Our analysis offers three possible explanations for the limited efficiency-seeking motivation among Chinese FDI observed in general and in Ireland in particular. Firstly, it might be attributed to home country's (China's) strong comparative advantages associated with labour costs, labour supply and relevant IR legislation as addressed previously (Kang and Jiang, 2012). Secondly,

it might relate to the observation that Chinese MNEs are not always ‘profit maximisers’ because they don’t operate under the same free market pressures to deliver ‘shareholder value’ as compared to US MNEs (Independent expert respondent). A third related reason relates to the central role of the State (i.e. the Communist party in China) which is perceived as playing a much more influential role in the internalisation of Chinese MNEs and this role does not prioritise short-term profit and performance (Buckley et al., 2007, 2008). In marked contrast to the US, the Communist Party is an advocate and supporter of state-owned enterprises and also operates as a form of gate-keeper in approving and facilitating FDI by Chinese firms (Zweig and Bi, 2005). This role may embrace financial and other forms of support which lessen the market pressures on some Chinese MNEs to maximise efficiencies. Such ‘market imperfections’ may go some way in explaining why Chinese firms in Ireland do not appear to be incentivised as their US counterparts by conventional market-based incentives to attract FDI, notably in Ireland the prospect of paying low corporation tax as their US counterparts.

Conclusion

Our paper offers some preliminary theoretical and practical contributions. Firstly, the paper contributes some initial empirical evidence and useful insights to the growing body of literature on Chinese FDI/MNEs. It found that HR/IR considerations exerted a mixed impact on the location decision of early and recent Chinese FDI into Ireland. Specifically, labour costs, labour regulation and IR were identified as factors negatively impacting on early Chinese MNEs but had no significant impact on the location decision of recent Chinese MNEs. This is mainly attributed to the narrowing wage and regulatory gaps between Ireland and China and to Chinese headquarters’ greater understanding of the nuanced HR/IR differences between the two nations. Labour quality was identified as an insignificant factor on early Chinese MNEs but perceived as a positive factor on recently-established Chinese MNEs primarily due to a changing sectoral focus.

Secondly, this study contributes to knowledge on Chinese MNEs in comparison to MNEs from other western countries, particularly the US. Interestingly, our findings indicate that the HRM/IR experience of Chinese FDI in Ireland mirrors, in certain respects, that of US FDI and FDI from certain other countries. However, this study also highlights differences in regard to process, with Chinese MNEs generally engaging in a less systematic evaluation of potential foreign locations when compared to their US counterparts.

Finally, this work sheds light on a somewhat anomalous phenomenon in international business, *vis-a-vis* the low levels of Chinese FDI in a country widely seen as a magnet for MNE activity. While finding that HR/IR factors offer limited explanation for this issue, this work identifies two possible factors to explain the paucity of Chinese FDI in Ireland. The first relates to the Hong Kong ‘crisis’ whereby Ireland experienced an increase in FDI from China (Hong Kong) which proved transitory in that almost all of this investment dissipated as a result of the subsequent integration of Hong Kong with mainland China. The second more generic factor which may explain Ireland’s very limited attraction to Chinese MNEs is its focus on attracting ‘efficiency-seeking’ FDI whereas the historical focus of much Chinese outward FDI is either market- or resource-seeking.

More broadly, this study also provides valuable information and implications for both Irish and Chinese policy-makers and institutional actors. Notably, it highlights the impact of geopolitical factors on the location decisions of Chinese MNEs in Ireland, for example the Hong Kong crisis, and more generally the central role of the state via the Chinese Communist Party in influencing the extent and nature of outward FDI from China.

Finally, we might mention some limitations in regard to our work. While this study represents an original investigation of the location of Chinese firms in a small but highly globalised western economy, the low level of investment by Chinese firms in Ireland greatly limited our capacity to conduct a representative study and rather led us to deploy a qualitative approach.

Clearly the issues unearthed in this paper merit more comprehensive empirical inquiry and more structured comparative studies, ideally in comparison to other small to medium-sized developed economies where Chinese firms invest. This would establish the extent to which the Irish findings are replicated or whether they are possibly ‘outliers’ with respect to their HR/IR experience and their investment motives and strategies.

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Table 1: Interview Details

Organization	<u>Job Title/Interviewee</u> <u>Positions</u>	Interviews	Total Interviews
Chinese MNEs	CEOs/Deputy CEOs	7	14
	HR Directors/Managers	4	
	Other Managerial personnel	3	
IDA Ireland	Regional directors	2	6
	Senior executives	3	
	Administrator (specialising on Chinese issues)	1	
China-Ireland Commercial Chambers/Associations	Chairman, senior executives and other managerial staff	5	7
	Other relevant organizations	CEO/Chairman	
Academic experts	Professors & Senior Scholars	7	13
Business experts	CEOs, Senior Managers and business consultants	6	

Table 2: Profile of Chinese MNEs in Ireland (1982 to 2014)

Company	Effective years	Industry Sector	Employment	Investing methods	Interviewed
Com. A	1982- 2000	Manufacturing	500+	Greenfield	—
Com. B	1983-1991	Manufacturing	100-199	Greenfield	Interviews conducted
Com. C	1983-2000	Manufacturing	100-199	Greenfield	—
Com. D	1984-2005	Manufacturing	500+	Greenfield	Interviews conducted
Com. E	1992-2011	Service (ICT)	<50	Greenfield	—
Com. F	1995-present	Service (Financial)	<50	Greenfield	—
Com. G	2000-2008	Service (Construction)	<50	Greenfield	—
Com. H	2002-2008	Service (Construction)	<50	Greenfield	—
Com. I	2005-present	Service (ICT)	100-199	Greenfield; M&As	Interviews conducted
Com. J	2005-present	Service (ICT)	NA	Greenfield	—
Com. K	2006-2013	Service (Health)	50-99	Greenfield	Interviews conducted
Com. L	2007-present	Manufacturing	<50	Greenfield	Interviews conducted
Com. M	2008-present	Service (Consulting)	<50	Greenfield	—

Com. N	2009-present	Service (Financial)	<50	Greenfield	—
Com. O	2010-present	Service (Financial)	<50	Greenfield; M&As	Interviews conducted
Com. P	2010-present	Service (Financial)	<50	Greenfield	Interviews conducted
Com. Q	2010-present	Service (ICT)	<50	Greenfield	—
Com. R	2010-present	Service (ICT)	<50	M&As	Interviews conducted
Com. S	2010-present	Service (Metal)	<50	Greenfield	—
Com. T	2011-present	Service (ICT)	<50	Greenfield	—
Com. U	2011-present	Service (ICT)	<50	M&As	—
Com. V	2012-present	Service (Financial)	<50	Greenfield	—
Com. W	2013-present	Service (Financial)	<50	Greenfield; M&As	—
Com. X	2014-present	Service (Financial)	<50	Greenfield	—
Com. Y	2014-present	Service (Financial)	<50	Greenfield	—
Com. Z	2014-present	Service (Financial)	<50	Greenfield	—

Table 3: Impact of HR/IR factors on the location decision of the eight Chinese MNEs interviewed¹

Participating MNEs	Labour cost	Labour quality	Labour availability	Labour regulation	IR/Trade unions	Regulation of employing non-EEA nationals
Com. B	-	0	+	-	-	0
Com. D	-	0	+	-	-	0
Com. I	0	+	+	0	0	-
Com. K	0	-	-	0	0	-
Com. L	0	+	+	0	0	-
Com. N	0	+	+	+	0	-
Com. O	0	+	+	+	0	-
Com. R	0	+	+	0	0	-

¹ Note: in Table 3, '0' = no important impact; '-' = negative impact; '+' = positive impact.

Appendix A Interview Template/Guide for Chinese Multinational Enterprises

1) Introduction & Explanation of Research Aim & Objectives

- Explanation of Research Aim & Objectives
- Respondent job title(s), responsibilities & work experience in the Chinese MNE

2) Background on the Chinese MNE

- Company History/Development
- Initial reason(s) for locating in Ireland
- Consideration of other locations in Europe/beyond?
- Information on the Irish operation(s): employment size, year of establishment, investing method(s), investing sector(s), primary products/services, markets, etc.
- Role/importance of the Irish subsidiary in regard to the Corporation at large

3) Factors influencing the Chinese MNE's location decision

- Positive factors (un-prompted)
- Negative factors (un-prompted)
- Ireland's overall attraction (Issues such as:
 - General economic and business factors
 - Tax regime: e.g. Ireland's corporate tax, Double taxation agreements or other tax incentives
 - Provision of financial grants and facilitation: e.g. for training and property leasing
 - Logistics and infrastructure in Ireland
 - National economy and market
 - EU membership
 - Eurozone membership
 - Track record in attracting FDI (particularly from USA)
 - Presence of world-leading MNEs
 - Institutional factors
 - Support or influence from the Chinese government
 - Logistical support and facilitation from Irish institutions or agents (e.g. *IDA Ireland/Enterprise Ireland*)
 - Ireland's overall institutional framework and governance approach to FDI
 - Protection of Intellectual Property in Ireland
 - Immigration Policy
 - Inter-government relations: China and Ireland
 - Recent high-level governmental visits between China and Ireland (e.g. bilateral agreements & memorandums of understanding)
 - Others
 - Cultural factors
 - English Speaking
 - Cultural issues: e.g. life-style characteristics and standards; work ethos and practices; management styles, etc.)
 - Other cultural issues

- Educational factors
 - General education standards (emphasis on secondary & tertiary level)
 - Quality
 - Related issues
- Geographical or natural environment factors
 - Geographic location in the global context
 - Quality of natural environment in Ireland (e.g. environmental regulation; pollution; other)
- Organizational concerns
 - Current development/internationalization stage of the Chinese MNE
 - ‘Organizational capabilities’ of Chinese MNE: e.g. skills and experiences of managing overseas operations
- Other factors
 - Ireland’s national recognition/Identification in China
 - Competitiveness issues

4) **Impact of HR/IR issues on the location decision Chinese MNE’s decision in Ireland**

- Initial exploration: Were HRM/labour issues a major consideration for this Chinese MNE?
- HRM/IR factors positively impacting on the choice of Ireland as an FDI location (if any)
- HRM/IR factors negatively impacting on the choice of Ireland as an FDI location (if any)
 - (Explore specific issues such as:
 - Labour costs
 - Labour regulation
 - Industrial relations/trade unions
 - Labour quality
 - Labour availability/supply
 - Labour flexibility and adaptability
 - Labour productivity and efficiency
 - Other HR/IR issues

5) **HRM in Irish subsidiary**

- Employment status:
 - employment size, employee nationalities, positions provided (especially profile of senior positions)
- Existence, role(s) and size of HR department
- Perceived importance and effectiveness of the HR function
- Key HRM practices and activities adopted
- HRM-related challenges or problems
- Communication/interaction between Irish subsidiary and Chinese HQ

6) **Concluding comments/views**

- on Chinese MNEs in Ireland
- impact of HR/IR Factors
- Other factors
- Suggested further contacts