

Current Research Trends: Strategy in Emerging Economies

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What is, and to what Purpose do we Study, International Business?

IB matters because Local Context matters!



Defining A Domain for International Business Study

**The Domain of International Business
and the AIB p3**

**What Is, and to What Purpose
Do We Study, International Business? p10**



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Making research more locally relevant requires incentive compatible with such a research agenda (Meyer, APJM, 2006)

The quality of locally relevant journals has risen. It is now time for universities in Asia to incorporate Asia-focused journals in tenure and promotion criteria. I suggest this list to include the following five journals:

- [Asia Pacific Journal of Management](#) (Management)
- [China Economic Review](#) (Economics)
- [China Quarterly](#) (Politics & Society)
- [Journal of Comparative Economics](#) (Economics)
- [Management and Organization Review](#) (Management)

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Agenda

1. What makes your study an influential study?
2. What Theories are Scholars in Top Journals Using?
3. What are the Big Issues for Future Research:
Focus on Theory Practice Gaps

What Makes your (Macro-) Study on Emerging Economies an Influential Study?

What can we learn from the most influential (cited) papers?

	Authors, Journal, Year	Cites*	Geographic Focus	Theoretical Focus
1	Hoskisson, Eden, Lau & Wright AMJ 2000	442	All types of firms (General)	Review
2	Peng AMR 2003	328	Domestic & foreign firms (General)	Institutional
3	Peng & Luo AMJ 2000	291	Domestic firms (China)	Relational
4	Lane, Salk & Lyles SMJ 2001	288	MNE into EE (Hungary)	Learning
5	Hitt, Dacin, Levitas, Arregle & Borza AMJ 2000	251	Domestic firms (Mexico, Poland, Romania)	Resource-based, Learning
6	Park & Luo SMJ 2001	221	Domestic firms (China)	Relational
7	Khanna & Rivkin SMJ 2001	221	Domestic firms (multiple)	Institutional (Econ)
8	Khanna & Palepu AMJ 2000	190	Domestic firms (Chile)	Institutional (Econ)
9	Luo & Peng JIBS 1999	180	MNE into EE (China)	Learning
10	Li & Atuahene-Gima AMJ 2001	154	Domestic firms (China)	Resource Dependence
11	Newman AMR 2000	145	Domestic firms (General)	Institutional (OT), Learning
12	Delios & Henisz AMJ 2000	133	MNE into EE (multiple)	Resource-based, Institutional (Econ)
13	Meyer JIBS 2001	128	MNE into EE (CEE)	Institutional (Econ)
14	Boisot & Child MOR 1999	124	Domestic firms (China)	Complexity Theory
15	Dhanaraj, Steensma, Lyles & Tihanyi JIBS 2004	111	MNE into EE (Hungary)	Learning, Relational

Papers on Strategy in emerging economies published 1999-2004, citations in March 2012

What can we learn from the most influential (cited) papers?

	Authors, Journal, Year	Cites*	Geographic Focus	Theoretical Focus
1	Wright, Filatotchev, Hoskisson & Peng JMS 2005	222	All types of firms (General)	Review
2	Peng, Wang & Jiang JIBS 2008	126	Multiple (General)	Institutional
3	Mathews APJM 2006	123	MNE from EE (General)	Learning
4	Luo & Tung JIBS 2007	113	MNE from EE (General)	Resource-based
5	Buckley, Clegg, Cross, Voss & Zheng JIBS 2007	112	MNE from EE (China)	Institutional (Econ)
6	Child & Rodrigues MOR 2005	110	MNE from EE (China)	Unspecified
7	Meyer & Peng JIBS 2005	106	All types of firms (CEE)	Review
8	Young, Peng, Ahlstrom, Bruton & Jiang JMS 2008	90	Domestic Firms (General)	Agency (Governance)
9	Doh JMS 2005	74	MNE into EE (General)	Review
10	Tan & Tan 2005 SMJ	69	Domestic firms (China)	Co-evolution
11	Meyer, Estrin, Bhaumik & Peng SMJ 2009	68	MNE into EE (multiple)	Institutional (Econ) & resource-based
12	Meyer APJM 2006	66	All types of firms (General)	Review
13	Peng, Lee & Wang AMR 2005	63	Domestic firms (General)	Institutional
14	Tsui MOR 2006	60	All types of firms (China)	Review
15	Rodriguez, Uhlenbruck & Eden AMR 2005	60	MNE into EE (General)	Institutional

Papers on Strategy in emerging economies published since 2005, citations in March 2012

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Trends on Firms

- 1999-2004, domestic firms in EE were the dominant theme with 17 of 25 papers, followed by MNE into EE with 9 papers.
- MNE from EE account for *none* of the highly cited papers from 1999-2005, but have emerged as a new theme accounting for 7 of 25 papers since 2005.

Trends on Geography

- Many influential papers are review or theory papers that refer to emerging economies as a whole rather than investigating specific countries.
- Studies on China account for 10 of 25 papers in the first period, and 8 of 25 papers in the second period.
- An exception is the work by Marjorie Lyles and co-authors on Hungary (Dhanaraj, et al., 2004; Lane et al., 2001, Steensma & Lyles, 2000). They did repeat surveys of JVs in Hungary at three points in time, which gave them a unique dataset.
- The only single country study in the since-2005 period that is not focused on China is Meyer and Nguyen's (2005) study of sub-national institutions in Vietnam.

Citation analysis of 2x top 25 papers on strategy in emerging economies

Trends on Theory

- Institutional perspectives contribute the largest number, often in combination with other theories. Some institutional papers are clearly positioned in the economic tradition (e.g. Buckley et al., 2007, Khanna & Rivkin, 2001; Meyer, 2001), or in the institutional theory in organizational theory / sociology (e.g. Hitt et al. 2004; Steemswa & Lyles, 2000). However, many authors blend the two lines of theories despite their distinct origins and internal logics.
- There is increased diversity of theories in use in the second period. A few authors made high impact using the learning perspectives, but relational and real options research has not (yet) generated influential contributions.

Trends on Journals

- In 1999-2004: JIBS (8 papers), SMJ (6 papers), AMJ (6 papers - mainly in the special issue by Hoskisson et al in 2000).
- After 2005, JMS (6 papers), JIBS (7 papers). AMJ has not published any influential work in this area!
- Five of the most influential works in the second period have been published by emerging economy focused journals (APJM and MOR).

Citation analysis of 2x top 25 papers on strategy in emerging economies

What Theories are Scholars in Top Journals* Using?

* Academy of Management Journal (AMJ), Academy of Management Review (AMR), Administrative Science Quarterly (ASQ), Journal of Business Venturing (JBV), Journal of International Business Studies (JIBS), Journal of Management (JM), Journal of Management Studies (JMS), Organization Science (OS), and Strategic Management Journal (SMJ).

Theories in Use

Review of all papers in Top Journals 2001-2010

Theory		2006-2010		2001-2005	
Economics perspectives			40		19
	Agency theory	11		4	
	Transaction cost theory	10		12	
	Spillover perspective	11		3	
	Real options perspective	9		0	
Institutional perspectives			50		23
	Institutional economics	18		4	
	Sociology-based IT	10		11	
	Both or unspecified	22		8	
Organizational Perspectives			76		42
	Learning perspectives	34		12	
	Relational perspective	32		19	
	Resource-based theory	10		11	
Other			25		26
Total (excl. 'no theory' papers)			191		108

Source: Xu, Dean & Meyer, Klaus E. (2013): Linking theory and context: Strategy research in emerging economies since Wright et al., *Journal of Management Studies*, advance online.

Theories in Use

Agency Theory

MNEs operating in emerging economies

(1 Paper)

How does ownership structure influence MNE subsidiaries' export intensity (Filatotchev et al., 2008) or other strategy outcomes?

Local firms in emerging economies

(5 papers)

What are the antecedents and consequences of principal-principal agency (PPA) conflicts (Kim et al., 2008; Young et al., 2008)? --> Chinese part-SOEs, business groups etc.

How do changes in ownership affect firms strategy and performance?

MNEs from emerging economies

(1 paper)

How do ownership and governance structures affect the patterns of expansion of emerging economy firms? (Filatotchev et al., 2007)

Source:
Xu & Meyer (2013)

Theories in Use Transaction Cost Theory

MNEs operating in emerging economies

(6 papers)

What are the effective modes of control for curbing the opportunistic behaviour of local partners in emerging economies (Luo, 2007a; Luo, 2007b)?

Local firms in emerging economies

(2 papers)

How can contracts and control mechanisms be designed more efficiently in highly imperfect markets? → such as Chinese 'good enough market'

MNEs from emerging economies

(1 paper)

What are effective modes for the acquisition of complementary tacit assets, such as technology, overseas?

Source:
Xu & Meyer (2013)

Theories in Use Real Options

MNEs operating in emerging economies

(6 papers)

What kind of environmental uncertainty and change will impact the value of international investments (Belderbos and Zou, 2009; Li and Li, 2010)?

Local firms in emerging economies

(1 paper)

How can a real option-based strategy be used to deal with information disadvantage of emerging economy firms (Xu et al., 2010)?

MNEs from emerging economies

(2 papers)

How do domestic uncertainties impact the value of international expansions of emerging economy firms (Lee and Makhija, 2009a; 2009b)?

Source:
Xu & Meyer (2013)

“Theories” in Use Spillovers

MNEs operating in emerging economies

(0 paper)

How do MNEs benefit from and contribute to regional clusters of MNEs from the same country of origin? (Tan and Meyer, 2011)

Local firms in emerging economies

(9 papers)

How are local firms differentially impacted by MNEs (Chang and Xu, 2008; Liu et al., 2009; Meyer and Sinani, 2009)?

Does the origin of FDI matter in technology spillovers (Buckley et al., 2007; Zhang et al., 2010)?

MNEs from emerging economies

(0 paper)

How does interaction ‘at home’ with inward foreign investors help emerging economy firms develop capabilities to become MNEs?

Source:
Xu & Meyer (2013)

Theories in Use Institutional Perspectives

MNEs operating in emerging economies

(17 papers)

How do MNEs secure legitimacy and overcome liability of foreignness (Lu & Ma, 2008; Lu & Xu, 2006)?

How do institutions impact foreign entry strategy (Dikova & Witteloostuijn, 2007; Estrin et al., 2009; Meyer et al., 2009; Siegel, 2009; Xia et al., 2009; Uhlenbruck et al., 2006)?

Local firms in emerging economies

(18 papers)

How do market reforms differentially impact firms, and how do firms respond to institutional changes (Chittoor et al., 2008; Park et al., 2006; Tihanyi & Hegarty, 2007)?

How does institutional pressure influence the adoption of international corporate governance practices in business groups and family controlled firms (Chakrabarti et al., 2007; Chizema & Kim, 2010; Chung and Luo, 2008)?

MNEs from emerging economies

(9 papers)

How do home country institutions and institutional changes shape the behaviour of emerging economy MNEs and confer an advantage or disadvantage for them in overseas markets (Kim et al., 2010; Shinkle & Kriauciunas, 2010; Sol & Kogan, 2007)?

Do emerging economy MNEs have a competitive advantage in LDCs (Cuervo-Cazurra & Genc 2008)?

Source:
Xu & Meyer (2013)

Theories in Use Resource-based View

MNEs operating in emerging economies

(4 papers)

How do resource needs or advantages impact a firm's overseas strategy (Brouthers et al. 2008; Chen et al., 2009)?

Local firms in emerging economies

(2 papers)

What sorts of resources and capabilities do local firms use to attain competitive advantages in an emerging economy context?

MNEs from emerging economies

(4 papers)

How do international expansions and acquisitions help emerging economy firms obtain hard-to-trade resources (Gubbi et al., 2010; Lu et al., 2010)?

How does resource pooling help emerging economy SMEs access global markets (Mesquita and Lazzarini, 2008)?

Source:
Xu & Meyer (2013)

Theories in Use Learning Perspectives

MNEs operating in emerging economies

(13 papers)

What are the antecedents of knowledge acquisition for foreign subsidiaries in a host country (Barkema & Drogendijk, 2007; Fang & Zou, 2009; Fang & Zou, 2010; Fey & Furu, 2008; Gao & Pan, 2010; Lyles & Salk, 2007; Zhao & Anand, 2009)?

What are the consequences of knowledge acquisition and experience (Steensma et al., 2008; Xia et al., 2009)?

Local firms in emerging economies

(11 papers)

How does the socialist legacy of firms in transitional economies impact knowledge seeking and acquisition strategies of these firms (Dixon et al., 2010; Kriauciunas and Kale, 2006)?

How does absorptive capacity contribute to knowledge acquisition of domestic firms (Zhang et al., 2010; Zhou and Wu, 2010)?

MNEs from emerging economies

How do the dynamic capabilities and absorptive capacity of emerging economy firms facilitate their international activities (Elango & Pattnaik, 2007; Filatotchev et al., 2009; Lu et al., 2010; Tsang & Yip, 2007; Yiu et al., 2007; Zhou et al., 2010)?

How do MNEs from emerging economies learn to operate on the international stage (Luo & Tung, 2007)?

Will emerging economy MNEs be better off to first go to other emerging economies or to developed economies?

Source:
Xu & Meyer (2013)

Theories in Use Relational Perspectives

MNEs operating in emerging economies

(7 papers)

Are economic incentives-based governance mechanisms sufficient in controlling partner opportunism in emerging economies, and can relationship-based mechanisms be used as a supplement or complement (Gong et al, 2007, Luo 2007; Li et al., 2010)?

How is the value of networks contingent on certain factors (Krishnan et al., 2006; Steensma et al., 2008; Sun et al., 2010; Xiao & Tsui, 2007)?

Local firms in emerging economies

(13 papers)

Do domestic firms differ from foreign firms in their use of relational governance mechanisms (Li et al., 2008; Zhou et al., 2008)?

How can SMEs benefit from relational ties and networks (Danis et al., 2010; Li & Zhang, 2007; Vissa & Chacar, 2009; Zhang & Li, 2010)?

MNEs from emerging economies

(4 papers)

What benefits can emerging economy firms obtain from their ties and networks during their internationalization process (Elango & Pattnaik, 2007; Prashantham & Dhanaraj, 2010; Zhou et al., 2007)?

How can emerging economy firms build relationships and networks in developed economies?

Source:
Xu & Meyer (2013)

What are the Big Issues for Future Research: Focus on Theory Practice Gaps

Academy of International Business, June 23-26 2014, Vancouver, Canada

"Local Contexts in Global Business"

"Local Contexts in Global Business"

	Track	Track Chair
1	People and careers in cross-cultural business	Davina Vora, State University of New York at New Paltz, USA
2	Entrepreneurship, SMEs, and born globals	Shameen Prashantham, Nottingham University Business School China
3	Organization, management and human resources of MNE	Dana Minbaeva, Copenhagen Business School, Denmark
4	Marketing and consumers in IB	Janet Y. Murray, University of Missouri-St. Louis, USA
5	Global value chains and the geography of IB	Vikas Kumar, University of Sydney, Australia
6	Innovation and knowledge management	Felipe Monteiro, INSEAD, France
7	Competition and collaboration in IB	Aya Chacar, Florida International University, USA
8	Global strategy, M&As and competitiveness	Jordan Siegel, Harvard Business School, USA
9	Home economies and the MNE	Pavida Pananond, Thammasat University, Thailand
10	Theories of the MNE and of FDI	Gabriel Benito, BI Norwegian Business School, Norway
11	Stakeholders, responsible leadership and governance	Sheila Puffer, Northeastern University, USA
12	The institutional and political environment of IB	Pei Sun, Fudan University, China
13	International finance and economics	Lars Oxelheim, Lund University, Sweden
14	Research methodology in IB	Timothy Devinney, University of Leeds, UK
15	Teaching IB	Andreas Schotter, Ivey Business School at Western University, Canada

Asia Pacific Journal of Management

Call for Papers for Conference and Special Issue on

EMERGING MARKET MULTINATIONALS AND HOME COUNTRY EFFECTS: DOES ORIGIN MATTER?

Deadline for submission: December 1, 2013

Conference venue: Copenhagen, Denmark

Conference dates: September 2014

Targeted publication date for the Special Issue: June 2015

Special Issue Editors:

Bersant Hobdari (Copenhagen Business School)

Peter Gammeltoft (Copenhagen Business School)

Klaus Meyer (CEIBS)

Jing Li (Simon Fraser University)

"We believe that there are significant opportunities for improving our understanding of how home country environment affects various processes and outcomes that drive EMNCs, and thus to advance theories of the multinational enterprise. Consequently, we are soliciting empirical and theoretical work addressing these complex relationships between various forms of home country environmental heterogeneities and EMNCs. This special issue provides an opportunity to bring together the research of scholars from a diverse range of disciplinary traditions such as economics, sociology and political science."