

## Special Issues in Asia Pacific Journal of Management

### Institutions and Entrepreneurship in Emerging Economies

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#### **Guest Editors:**

Sunny Li Sun, University of Massachusetts Lowell;

Weilei (Stone) Shi, City University of New York (CUNY) - Baruch College;

Yuli Zhang, Nankai University;

David Ahlstrom, Chinese University of Hong Kong.

#### **Consulting Editor:**

Mike W. Peng, University of Texas at Dallas

#### **Introduction**

Emerging economies have become a major engine of global economic growth (if measured by purchasing-power parity, the GDP of emerging economies overtook the GDP of developed economies as of 2013). Their institutional environments are quite different from that of developed countries. In particular, the formal institutional environment is underdeveloped—creating unevenly development (Ahlstrom & Bruton, 2010; Peng, 2003; Peng, Sun, Pinkham, & Chen, 2009) — suggesting a lack of institutional complementarity (Hall & Gingerich, 2009; Shi, Sun, & Peng, 2012) or institutional fragility (Shi, Sun, Yan, & Zhu, 2017). Its existence calls for a revision of existing theories of entrepreneurship and accounts for emergent phenomena (Bjørnskov & Foss, 2016; Kim, Wennberg, & Croidieu, 2016; Meyer & Peng, 2016). Since an emerging economy perspective focuses on the challenge and opportunity of entrepreneurship activities in these institutionally less developed regions, it contributes a unique value proposition to the study of entrepreneurship research. We ask: how do the institutions in emerging economies change the entrepreneurial mechanisms and entrepreneurial behaviors? How does the entrepreneur reshape the institutions?

Our goals are to develop an integrative body of emerging economies related knowledge for entrepreneurship research, encourage scholars to conduct relevant research and to inform practice.

Given the multidisciplinary nature of entrepreneurship research, we invite manuscripts that are rooted in various areas including, but not limited to strategy, international business, economics, organizational behavior, sociology, psychology, finance, to name a few. We welcome humanism-related research, such as compassion, sustainability, and inclusive growth (Mair, Martí, & Ventresca, 2012; Tsui, 2013).

Our call for research embraces theoretical and methodological pluralism. We welcome a cross-disciplinary approach and diversified methods (qualitative or quantitative), including comparative history analysis (Sarma & Sun, 2016; Vaara & Lamberg, 2016), case study, or multilevel designs (Kim et al., 2016) to enrich our understanding of the entrepreneurial concept, process, practice, and context.

## **Topics**

The following research questions are examples of promising research directions for entrepreneurship scholars. Our call for research embraces theoretical and methodological pluralism.

1. Given many emerging economies are under institutional transition, what is the role of government policy in facilitating or constraining entrepreneurial activity? What is good/bad entrepreneurial capitalism (Ahlstrom, 2010; Baumol, Litan, & Schramm, 2007)? Take China for example, private entrepreneurs are driving the growth of China's GDP and innovation. However, financing options are limited for them and the cost of financing is particularly high (Ding, Sun, & Au, 2014). Therefore, how government can create a favorable environment (or ecosystem) to advance this sector is increasing becoming an important priority in designing policies.
2. How are entrepreneurs developing a unique strategy to cope with institutional void or fragility (Shi et al., 2017)? What kind of business model could accommodate the lack of institution or informal institution? For example, Shanda (China's Internet entrepreneurship firm) has avoided the software piracy problem by developing highly popular multiplayer online role-playing games (Bhattacharya & Michael, 2008). While emerging markets experience a significant level of pro-market reform, the nature of these reforms differs widely in terms of scope and speed (Banalieva, Eddleston, & Zellweger, 2015; Sun, Peng, Lee, & Tan, 2015). Even within a single emerging economy, the rhythm of different reforms may differ or converge—creating institutional fragility (Shi et al., 2017). How do these reform characteristics affect entrepreneurial firms in terms of resource accumulation and capability development?
3. The institutional environment in emerging economies also shapes entrepreneurial practice. Do they develop a unique set of cognitive trait and decision-making modes to cope with this uncertainty? How are the new concepts in entrepreneurship like effectuation, bricolage, design thinking, and narrative thinking (Garud & Giuliani, 2013; Sarasvathy, 2001), or new practice of incubator, accelerator, and “lean start-up” applied in this kind of environment? How do family, angel investor, venture capitalist take different risk and develop different financing/governance structure to support new venture growth (Ding et al., 2014)? Do these economies build different entrepreneurial ecosystem (Autio & Thomas, 2014)? Are these constructs and measurements still reliable and valid in the emerging economies?

4. Growth and internationalization represent important challenges for entrepreneurial firms (Oviatt & McDougall, 2005). Some of the key issues involve how entrepreneurial firms pace themselves, how they synchronize their activity cycles with those of their partners, customers, suppliers, and other stakeholders (Sun & Im, 2015). Since different institutional environment differ in their treatment of time, it will be interesting to study how the pace, rhythm, sequence (Shi & Prescott, 2012), or opportunity co-creation (Sun & Im, 2015) of entrepreneurial activities in emerging economies are different from those from developed nations? How is the hybrid entrepreneurial organization form, such as non-profit organization (Mair et al., 2012), created or supported in this environment? What kind of challenge will be faced by social entrepreneurs?

5. The institutional environment in emerging economies may even create the behavioral paradox for entrepreneur, as the examples of innovation or imitation in value design, coping with government or coping with market, resource re-allocation or resource acquisition in venture growth, etc. Do they follow the similar cognitive framework to their peers in Western when exploring the opportunity? As the complexity, plurality, and competitiveness of environments grow, how do entrepreneurs simultaneously deal with multiple competing demands (for example, the expectation from government and market) and technology innovation? Furthermore, does the strategy to deal with behavioral paradox represent the unique cognitive resources/constraints in emerging economies? For example, India entrepreneur may tries “jugaad” or frugal innovation to overcome the resource constraints; other entrepreneur may explore the new opportunity from the advanced mobile technology to rebuild the local fragile bank industry. How could entrepreneur leverage the locality and contingency?

### **Submission Process**

November 1, 2017 - Manuscripts must be submitted during the window between September 1, 2017, and November 1, 2017, at the APJM manuscript submission site <https://www.editorialmanager.com/apjm/default.aspx>. Some papers could be desk rejected if the guest editor believes them do not meet the theme of the special issue. Other submissions will go through APJM’s double-blind review process and follow the standard norms and processes.

February 1, 2018 - Authors are notified of first round review decision.

June 20-21, 2018 – APJM SI Entrepreneurship Conference in Nankai University, Tianjian, China. Authors of each paper are encouraged to present at the conference. But conference participation is not a guarantee or a condition for publication.

July 1, 2018 –first revisions due.

## **About the Guest Editors**

**Dr. Sunny Li Sun** is an associate professor of entrepreneurship and innovation in Manning School of Business, University of Massachusetts Lowell. He received a Ph.D. from the University of Texas at Dallas (2010). His research interests cover entrepreneurship, corporate governance, venture capital, network, and institutions. He has published papers in *Strategic Management Journal*, *Journal of International Business Studies*, *Entrepreneurship Theory and Practice*, *Journal of Business Ethics*, *Journal of Management Studies*, *Academy of Management Perspective*, *Journal of World Business*, *Asia Pacific Journal of Management*, *Industrial Marketing Management*, *Journal of International Marketing*, and *Emerging Markets Review*. He has four papers listed as “highly cited papers” (in the top 1% of its academic field, based on Thomson Reuters’ Essential Science Indicators) and received the Best Impact Award in Academy of Management Perspectives (2009-2013) and the Robert H. Schaffer Award for the Best Paper in Academy of Management 2013. Before joining the academia, Dr. Sun has 11 years’ industrial experience in new venture creating, financing, and consulting.

**Dr. Weilei (Stone) Shi** is an associate professor of strategy in Zicklin School of Business, City University of New York. He obtained his Ph.D in Strategic Management from the University of Pittsburgh in 2008. Stone’s research centers on the interaction between strategy and international management. Specifically, Stone is interested in examining M&As and alliances from both temporal and network perspectives. He is particularly interested in examining how institutions in emerging economies affect firms’ strategic initiatives. His papers have been published in *Strategic Management Journal*, *Journal of International Business Studies*, *Journal of Management*, *Journal of Management Studies*, *Academy of Management Perspective*, *Organization Studies*, *Asia Pacific Journal of Management*, and *the Academy of Management Best Paper Proceeding*. His work also appeared in *Advances in Mergers and Acquisitions* in 2008 and *Researching Strategic Alliances: Emerging Perspectives* in 2010. He serves on the editorial boards of the *Journal of Management Studies*, *Academy of Management Perspective*, and *Asia Pacific Journal of Management*. Stone has been awarded the Outstanding Reviewer Award in the International Management Division at the Academy from 2005 to 2007. Before joining the academia, Stone works for Roland Berger Strategy Consultancy in their Shanghai office.

**Dr. Yuli Zhang** is a professor of management at School of Business, Nankai University. He received his Ph.D in economics from Nankai University in 1995. Professor Yuli Zhang’s research focuses on entrepreneurship and management education. Specifically, he is interested in new venture strategy, entrepreneurship and innovation in transition economies. His papers have been published in *Entrepreneurship Theory & Practice*, *Strategic Entrepreneurship Journal*, *Journal of Business Ethics*, *Journal of Developmental Entrepreneurship* and the other top tier Chinese management journals. He services as the Changjiang Scholar of China, the dean of School of Business, Nankai University, as well as the founding director of Entrepreneurship Center of Nankai University.

**Dr. David Ahlstrom** is a professor in the management department at the Chinese University of Hong Kong where he has taught for 21 years in international management, innovation and leadership. His research interests include international management, innovation, and entrepreneurship in emerging economies. Professor Ahlstrom has published over 120 refereed articles in publications such as *Academy of Management Review*, *Strategic Management Journal*, *Entrepreneurship Theory and Practice*, and *Journal of Business Venturing*. He was the chief editor of *Asia Pacific Journal of Management* and is currently a senior editor of *Journal of World Business*.

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