

Editorial

Since centuries, it has been perceived that, the western world is at the forefront of innovative theories and practices in management. Last two decades have evidently demonstrated that now it is no more the hegemony of the developed world in contributing towards management art and science. The BRICs (Brazil, Russia, India and China) and other European countries are now emerging as sunrise economies and are offering new dynamics of management. Be it grassroots level technologies or socio-economic development, the emerging markets are certainly presenting the new world economic order. This special issue is an endeavour to disseminate the new dynamics of management from emerging markets.

The special issue of AJBR on Management Trends in Emerging Markets in association with International Management Research Academy (IMRA) emerged out of the 2012 Emerging Markets Conference held in London by IMRA. The conference received 221 extended abstracts involving 339 authors from 36 countries of which 73 competitive papers and 10 posters were selected for presentation. This involved participants from more than 33 countries. Of this total 83 selected research outputs, 16 were submitted to this special issue of AJBR for review. The submitted papers were sent to reviewers all across the world. After the first round of review 8 papers were rejected and reviewers suggested major revision for 7 papers and minor revision for 1 paper. Of these eight papers 2 papers were withdrawn by the authors and 4 out of the remaining 6 were selected after the second round of reviews. The selected papers also represent a distinct variety. For example, the accepted papers deal with strategy, finance and accounting, internationalization, human resource management and technological innovations issues in emerging markets and beyond.

The significant growth of trade between and within Multinational corporations (MNCs) from emerging markets is becoming an area of interesting many researchers. These MNCs impose a considerable challenge to the scientific hegemony of the Western world especially due to the new approaches to management and strategic development they seem to adopt. By employing a contingency perspective, Ponomareva, develops a conceptual framework capturing the dynamic nature of managerial discretion during the process of institutional change. The author suggests that the duality of control and freedom perspectives on managerial discretion can be revealed by analyzing different stages of economic transition.

In her paper, Li Li provides an interesting comparison relating to market-based and accounting-based performance of banks in eight Asian emerging markets. She measured market based performance through Tobin's Q and accounting based performance via three traditional ratios namely, net interest margin (NIM), return on assets (ROA) and return on equity (ROE). She finds interesting variations within the region. For example, Banks in Indonesia have the highest average Q ratio of 1.14, ROA of 1.82 percent and NIM of 5.34 percent, whereas banks in China and India has the highest average ROE of

18.22 percent. Overall, Q ratio is found to be significantly positively related to ROA and ROE, but there is no significant relationship between Q and NIM. The paper sets the scene for future comparative research in banking industry in emerging markets linking how external market conditions influence performance.

In thinking about their growth strategy in developing markets, many companies are torn between various routes to follow including franchising, joint ventures or direct foreign investment. Shatalov and Nikulin, in their paper, focus on a tricky problem of finding an optimal balance between the number of company-owned and franchised outlets in emerging markets. Following prior research they consider the size of the firm and the geographic range of its outlets as critical factors determining franchising decisions. The data, obtained from 46 companies in Russia, shows a nonlinear relationship between the proportion of franchised outlets and a company's return on assets.

It has long been argued that employee satisfaction and loyalty has a direct effect on organizational performance. In this regard, strategic human resource management becomes highly significant. With the technology boom in Asian markets, Yang and Choi offer a new framework for R&D human resource management for technology sector. Using case study approach with successful South Korean SMEs in technology sector, the authors provide interesting insights on better employee management for SMEs in technology industry.

The papers in this special issue demonstrate the challenging nature of management in emerging markets. We believe these will fuel much further debate among researchers and practitioners interested and involved emerging markets.

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Asian Journal of Business Research
Special Issue: Management Trends in Emerging Markets
in association with
International Management Research Academy (IMRA)
2012 Emerging Markets Conference, London, UK