Asia Pac J Manag
DOI 10.1007/s10490-009-9139-2

Varieties of Asian capitalism: Toward an institutional theory of Asian enterprise

Michael Carney · Eric Gedajlovic · Xiaohua Yang

Abstract In this paper we respond to calls for an institution-based perspective on strategy. With its emphasis upon mimetic, coercive, and normative isomorphism, institutional theory has earned a deterministic reputation and seems an unlikely foundation on which to construct a theory of strategy. However, a second movement in institutional theory is emerging that gives greater emphasis to creativity and agency. We develop this approach by highlighting co-evolutionary processes that are shaping the varieties of capitalism (VoC) in Asia. To do so, we examine the extent to which the VoC model can be fruitfully applied in the Asian context. In the spirit of the second movement of institutional theory, we describe three processes in which firm strategy collectively and intentionally feeds back to shape institutions: (1)

We thank all the participants and discussants in the *Asia Pacific Journal of Management* Special Issue Conference on Varieties of Asian Capitalism in December 2007 in Brisbane, Australia. We thank the members of the Conference Organizing Committee for their great contribution to the success of the conference. We also greatly appreciate the editorial support from the Editor-in-Chief, Mike Peng. The financial support from the Faculty of Business, the School of Business, the School of Advertising, Marketing and Public Relations at Queensland University of Technology and the Faculty of Business and Law at Southern Cross University is gratefully acknowledged. Special thanks go to Neal Ryan, Kerry Brown, and Per Davidsson for their visionary support and active participation in the conference. Last, but not least, we thank all the reviewers for their tireless effort to make this Special Issue possible. Their names are listed at the end of the article.

M. Carney (✉)
John Molson School of Business, Concordia University, 1455 de Maisonneuve Blvd. West, Montreal, Quebec H3G 1M8, Canada
e-mail: mcarney@jmsb.concordia.ca

E. Gedajlovic
Simon Fraser University, SFU Business, 2400, Central City Surrey, British Columbia, Canada V3T 2W1
e-mail: erg@sfu.ca

X. Yang
School of Management, Queensland University of Technology, 2 George Street, Brisbane, Queensland 4001, Australia
e-mail: x3.yang@qut.edu.au

Published online: 21 March 2009

filling institutional voids, (2) retarding institutional innovation, and (3) deploying institutional escape. We outline the key contributions contained in the articles of this Special Issue and discuss a research agenda generated by the VoC perspective.

Keywords VoC · Institutions · Co-evolution · Actor-centered theory · Institutional void · Institutional innovation · Institutional escape · Institutional entrepreneurship · Firm strategy

In this Special Issue of the *Asia Pacific Journal of Management,* we employ the varieties of capitalism (VoC) perspective to shed new light on the complex relationships between national institutions and corporate behavior in Asia's dynamic economies. This is an uncertain, but exciting time to write about capitalism. As we write (December 2008), the global economic system is gripped by a financial crisis that portends significant change in the character of capitalism in many economies. While much of the debate about institutional development in transitional and emerging economies has been framed in terms of degrees of convergence to an idealized Anglo-Saxon liberal market model of capitalism, the current financial crisis has emerged in, and is the product of, the shortcomings and excesses of such systems. As a consequence, the current financial crisis brings into question the often presumed superiority of the liberal market model of capitalism and also gives credence to proponents of the view that alternative models of capitalism may be preferable for developing economies in Asia. In this respect, the recent articulation of *the Beijing Consensus* (Ramo, 2004) suggests that theory lags behind practice insofar as Asian policymakers are adopting and experimenting with alternative forms of capitalism, while scholars have yet to develop theories explaining such variation within and between national economies.

The various institutions of capitalism have an important and direct effect upon numerous firm-level phenomena such as corporate governance, firm scope, competitive advantage, and innovation capacity (North, 1990; Williamson, 1985) and are a central focus of much recent management research (Makino, Isobe, & Chan, 2004). The growing interest in institution-firm linkages has produced calls for an institutional theory of strategy (Lawrence, 1999; Oliver, 1991). The Editor-in-Chief of this journal has on several occasions argued that an institutional theory of strategy could constitute a complementary "third leg" to the prevailing industrial organization (IO) and resource-based view (RBV) for the perspectives on business strategy. Peng argues that an institutional theory of firm strategy has the potential to explain the fundamental strategic question as to why strategies of firms from different countries and regions differ (Peng, 2002; Peng, Wang, & Jiang, 2008). Given the complexity of capitalistic systems, we also reason that any institutional theory of firm strategy must also shed some light on why firms operating in the same or similar institutional environments often adopt very different strategies. Further, such a theory should also shed light on how and why many organizations come to operate in multiple, often disparate contexts and the effects of such patterns on their capability development and financial performance.

Despite the promise of an institutional theory of strategy, there are several limitations with existing institution-based theories of firm. Most notably, we observe that institutional theorists have been more concerned with stability and persistence and have only recently begun to tackle the sources of endogenous institutional change. On the other hand, an institutional theory of strategy should be expected to inform how and why an institutional system moves from one stable state to another. An institutional theory should also offer an account of national variation in response to global-exogenous processes to explain why local responsiveness to global pressures does not result in convergence on the same institutional model (Campbell, 2004) taking the 1997 Asian economic crisis as an example. This is a large but potentially fruitful research agenda. The papers in this Special Issue address several aspects of the institution-firm linkage and in their employment of the VoC perspective they begin to examine these issues in the context of Asia.

Another major obstacle to an institutional theory of firm strategy is institutional theory's deterministic reputation stemming from a focus upon the impact of institutions on firms. The redress of this deterministic critique has long preoccupied eminent institutional theorists (Oliver, 1991; Selznick, 1996). This focus leaves little scope for human agency, capacity for creativity, rational decision-making, and strategic choice. However, to lay claim to a strategic label an institutional perspective must overcome its deterministic tendency and incorporate a more plausible and salient role for actor agency. In an effort to locate insights into an actor-centered theory of the Asian enterprise, we review selected Asian research on the institution-firm linkage. We portray Asian capitalism as an unfolding co-evolutionary process (Carney & Gedajlovic, 2002) that complements the prevailing emphasis of institutional perspectives and emphasizes the reverse impact of firm strategies on their national institutions. To conclude, we summarize each of the contributions in this Special Issue and point to several directions for future research opened up by the VoC perspective.

VoC as an institutional theory of firm strategy

The last few years have produced several ambitious efforts to provide an overarching analytical framework for understanding the varieties of contemporary capitalism (Amable, 2004; Baumol, Litan, & Schramm, 2007; Boyer & Hollingsworth, 1987; Hall & Soskice, 2001; Whitley, 1999). While each has merits, Hall and Soskice's (H&S) (2001) version of VoC has contributed most to the progression of the field (Redding & Witt, 2009) and it is the perspective adopted by most of the papers in this Special Issue.

At first glance, H&S's perspective on VoC is an ideal candidate for an institutional theory of firm strategy because it claims to be a theory of firm that explains institutional foundations of comparative advantage. H&S offer a compelling argument about the origins and sources of competitive advantage of firms from liberal market economies (LMEs), such as those of the US, UK, and Australia, and coordinated market economies (CMEs) such as Germany, Japan, and the Scandinavian countries. However, much of the subsequent VoC research focused upon the mature forms of capitalism found in OECD economies (Boyer, 2005). With the exception of Japan, VoC researchers have largely ignored Asian economies. Asia's economies are at various stages of emergence and transition and do not easily fit into the LME-CME dichotomy.

H&S are primarily concerned with the problem of coordination among economic actors and they take as a theoretical point of departure the transactions cost theory's treatment of how firms mitigate uncertainty, moral hazard, and opportunism. In contrast with received transactions costs reasoning that focuses upon the efforts of executives to craft firm-based governance mechanisms (Williamson, 1985), H&S propose that many transactions are governed by institutional arrangements that are external to the firm. H&S contend that many economic relationships are based upon incomplete and implicit contracts that rely on factors in the broader institutional environment for their coordination and enforcement. H&S are particularly concerned with how firms induce employees and business partners to make high asset specificity investments that will enhance a firm's competitiveness in international competition. Their specific focus is with institutions relating to corporate governance, industrial relations, vocational training and education, and the structuring of inter-firm relationships.

H&S adopt a relational view of the firm arguing that "the quality of the relationship the firm is able to establish both internally with its own employees and externally with a range of other actors" (2001: 6) will influence the firm's capacity to create and exploit core competencies. It is in this regard that H&S claim that theirs is an actor-centered theory of individuals, firms, producer groups, and government that emphasizes that the firm is the crucial actor in a capitalist economy. However, on closer inspection the main theoretical ideas that underpin their approach are two of institutional theory's foundational concepts: isomorphism and complementarity (Boyer, 2005). Moreover, their primary concern is how firm strategies are shaped by the institutional environment, a goal that is shared with the mainstream institutional theories of organization.

In the VoC perspective, isomorphism arises from opportunities, advantages, and resources located in an institutional environment. While some organizational institutionalists emphasize the coercive and mimetic nature of isomorphism, others suggest isomorphism is consistent with rational strategic action. Oliver (1991) proposes that voluntary compliance with prevailing institutional norms brings legitimacy and favorable access to resources.

H&S predict that firms will adjust their strategies and organizational practices to take advantage of institutional opportunities and suggest that the institutional environment can confer a comparative institutional advantage on firms that align themselves with the opportunities and resources in the environment. H&S expect firms to gravitate towards strategies and practices that take advantage of these opportunities. For example, in Germany labor market institutions such as work councils, binding collective agreements, job security and co-determination provides an environment in which labor will be inclined to invest in highly dedicated, firm-specific skills. Consequently, the availability of high-quality labor will dispose German firms towards product market strategies of quality-based differentiation. Contrarily, labor market rigidities that increase the labor costs will be a disincentive to strategies based upon low-cost leadership. Firms adopting a low cost strategy will find little institutional support and will either underperform or be selected out of such environments.

In this way H&S reason that institutions reward firms whose competitive strategies "fit," or become isomorphic, with opportunities and resources prevalent in the environment and disadvantage firms adopting strategies that are not in alignment with prevailing institutions. Following this line of reasoning, H&S suggest that non-aligned organizations will fail to thrive and consequently, that a nation's economic landscape will come to be dominated by firms active in particular sectors and following similar strategies. Based on such logic, it is argued that institutions provide the foundations for comparative advantage for firms based in one country (Allen, 2004).

The second core concept, borrowed from institutional economics (North, 1990), is the idea of institutional complementarities. Complementarity entails that the environmental capacity to deliver a foundation for comparative advantage depends upon the extent to which institutions in several sectors are compatible with one another. In the VoC perspective, specific emphasis is put on complementarities among capital and labor markets, social welfare policies, industrial relations, as well as patterns of inter-firm coordination. In this respect, "pure" LMEs and CMEs are characterized by high levels of complementarity, and are seen as cohesive systems of mutually supportive interconnected institutions. It is further argued that underperformance is associated with hybridized or mixed models of capitalism because non-cohesive institutions contradict and work against one another. The concept of complementarity as articulated in the VoC perspective will be familiar to management scholars as the idea of "strategic fit" as a precondition for successful organizational performance. For example, a basic rule in strategic management is the value of fit between strategy and structure (Chandler, 1962). Porter (1996) argues that effective strategic positioning requires consistency and fit among the activities along the firm's value chain. Indeed, H&S's notion of national complementarity is similar to Milgrom and Roberts' (1990) idea of *supermodularity*: a concept that describes the tight and self reinforcing linkages among production technologies, organization, and strategy that are co-located in geographically concentrated industrial clusters such as Silicon Valley.

Similarly, institutional complementarity implies that the functionality of any given institutional element will depend upon the existence of an institutional matrix (North, 1990) accompanying formal and informal rules of the game. For example, a robust venture capital market is dependent upon the existence of rules governing limited liability partnerships, clear property rights, efficient contract enforcement, and a liquid public equity market to facilitate initial public offerings that permit investors to exit (Fenn, Liang, & Prowse, 1995). The absence of any single institutional element may impede the development of a venture-capital market (Ahlstrohm, Bruton, & Yeh, 2007).

If both institutional complementarities and isomorphic forces are particularly strong, then certain types of firm strategies and organizational form will tend to become prevalent. In other words, a population of organizations tend to become homogenous under certain institutional conditions. The VoC assumes, at least implicitly, that because isomorphic forces will homogenize the population of firms, these firms will reduce their capacity to pursue alternative successful strategies. Specifically, each variety of capitalism will produce an *emblematic firm* (Boyer, 2005), which is an organizational form that "fits" or is best adapted to the opportunities provided by the particular institutional environment. For example, the emblematic firm in LME is approximated by the equity-financed managerial enterprise, whereas the CME will be populated by the bank-monitored alliance-centered firm.

Three limitations of the VoC perspective

Three thorny issues arise when attempting to apply the VoC perspective to the context of Asia. The first issue concerns whether or not isomorphic forces produce a homogenized population of firms pursuing similar strategies or what Boyer (2005) calls the emblematic national firm. A second issue concerns the extent to which there are more than two viable varieties of capitalism, as postulated by H&S. A third issue concerns the extent to which the VoC lives up to its claim as an institution-based theory of firm strategy.

An emblematic Asian firm?

While Japan and Korea's emblematic firms may be considered to be, respectively, the *keiretsu* and *chaebol* linked enterprise (McGuire & Dow, 2009), the question arises as to the distinctive features of the Asian firm beyond these two countries. On this point, different scholars have emphasized differing distinctive characteristics of Asian firms including: ownership concentration (Huegens, Van Oosterhout, & van Essen, 2009), broad product market scope (Peng & Delios, 2006), the organization of firms into business groups (Carney, 2008), reliance on personal networks to facilitate transactions (Park & Luo, 2001), dependence upon imported technology (Hobday, 1995), presence of family in top management teams (Steier, 2009), and modest emphasis given to research and development or the establishment of international brands (Redding, 1990).

While this lengthy inventory may suggest that the diversified, family-controlled business group represents the emblematic Asian enterprise, we also see great heterogeneity in the emergence of novel and hybrid organizational forms, such as clustered production networks, specialist firms that participate in global commodity chains (Gereffi & Korzeniewicz, 1994), and large government-linked enterprises (Zutshi & Gibbons, 1998). Moreover, the appearance of technology-intensive firms (Dodgson, 2009) and "dragon multinationals" (Mathews, 2006) are suggestive of much greater variation in corporate forms than is predicted by VoC and other institutional theories of organization. Therefore, explaining variation in the population of domestic firms in a country remains a crucial task for an institutional theory of firm strategy. Perhaps, the types and variations in corporate structures an economy can support might in part be explained by the institutions of the prevailing form of capitalism.

How many varieties of capitalism?

A second limitation of the VoC perspective concerns the extent to which Asian economies fit comfortably within the LME-CME dichotomy or whether Asian examples represent either hybrid or possibly a completely novel form of capitalism.

On this point, Boyer (2005) is critical of the H&S version of VoC, arguing that there are more than two viable forms of capitalism and that the VoC expectation of firm homogeneity, especially the emergence of a single emblematic firm, is a major deficiency with the theory as it fails to account for the evident heterogeneity of technology, products, and forms of organization. Specifically, he suggests that within any variety of capitalism, there may be a plurality of institutional architectures to support a heterogeneous population of firms (Boyer, 2005: 545).

Despite the evident pluralism noted by Boyer, Asian capitalism is frequently described in stereotypical, singular, and undifferentiated terms. For instance, several scholars suggest that Asian capitalism is defined by its distinctive relational contracting among politicians, state officials, and elite entrepreneurs (Krueger, 1974). Others suggest that enduring inter-firm networks are chief characteristics of Asian capitalism (Fruin, 1998; Weidenbaum & Hughes, 1996). Similarly, advocates of the latecomer hypothesis suggest that it is the essential role of the state as a prime mover of industrialization that distinguishes Asia's state-led capitalism (Amsden, 1989; Wade, 1990). Others characterize Asian capitalism in less favorable terms, arguing that it is ersatz (Yoshihara, 1988), corrupted, or crony dominated (Kang, 2003).

On the other hand, other researchers emphasizing national differences have focused on differences across Asian countries, but have ignored or underspecified the degree of institutional pluralism that takes place *within* Asian economies (Orru, Biggart, & Hamilton, 1997; Redding, 1990). For example, Hamilton and Biggart (1988) distinguish three conceptions of authority structures in Japan, Korea, and Taiwan that give rise to differing enterprise systems. Steier (2009) identifies four systems of capitalism. In a comparison of European and Asian enterprise systems, Orru et al. (1997) identify six capitalist configurations. At the far end of this continuum is a view that every national business system will exhibit divergent and unique characteristics (Whitley, 1999).

We reason that due to the large number of possible institutional configurations, there is great empirical diversity in capitalist structures around the world (Goodin, 2003). Under a finely focused lens, a comparison of any two countries is bound to bring out institutional differences between them. However, while there are many forms of capitalism, there is growing evidence that just a few deliver sustained superior economic and social performance (Amable, 2004). Boyer (2005) suggests that an increasing number of international comparisons in a variety of institutional fields (such as employment, legal architecture, innovation systems, social protection systems, and state–economy relations) reveal "a remarkable convergence upon just a few configurations" (Boyer, 2005: 520). Much of this analysis has focused upon OECD countries.

Yet, a preliminary analysis of emerging economies suggests the possibility of genuinely new forms of capitalism: based perhaps upon export-led growth and state-led industrialization. The development of Asian capitalism raises a number of questions. To what extent is the region enlarging the repertoire of successful models of capitalism? How do new institutional arrangements adapt and change over time as Asian economies become increasingly interconnected with the global trading system? Why do global pressures not result in convergence on the same institutional model? What novel institutional combinations and complementarities are created to promote sustainable economic and social performance?

A firm-based theory?

A third concern is that despite the claims made for VoC as a firm-based theory, it is beset with what Crouch (2005) calls “a paradoxical determinism” in which actors are reduced to the status of automata. In this view, if too much emphasis is given to the isomorphic power of institutions, then there is little left for the firm except to follow pre-established scripts. Consequently, the absence of a salient role for actor agency almost disqualifies this (and several other institutional perspectives) as a plausible theory of strategy.

Institutionalists are quite aware of this limitation and are seeking ways to incorporate a more active role for the individual, but too often institutional theorists are grudging in their willingness to incorporate actor rationality into their schema. For example, in an overview of agency in social theory, Emirbayer and Mische (1998) conclude that social actors are cognitively unaware of the wider impact of their agency and that actors are “intentionless in their intentions.” However, if an institutional theory of firm strategy is to realize its potential as a third leg comparable to the RBV or IO models of strategy (Peng et al., 2008), then a more proactive actor-based orientation is required to have any appeal in the strategy community.

In this respect, Campbell (2004) identifies a second movement in institutional theory representing a turn towards a more micro level analysis of individual behavior. The theoretical development incorporates a “weak form of methodological individualism” (Campbell, 2004: 89) without precluding the utility of established institutionalized paradigms. Campbell’s suggestion is that in concepts such as institutional entrepreneurship, institutional bricolage, translation, and enactment, there is a fundamental shift from compliance toward creativity. An institutional theory of strategy would recognize that the frontiers of the debate about institutional change have moved beyond the narrow confines of the convergence–divergence debate and now incorporate ideas about the customization and hybridization of global institutions as they diffuse into national business systems (Djelic & Quack, 2003).

The mechanisms outlined by Campbell (2004) and others focus upon the creative and self interested means in which actors adopt institutional elements from their own and other contexts, modify, mutate, and otherwise make the element work in its new context. Hence, a plausible institutional theory of firm strategy will necessarily give a more central role to the firm as a creative and cognizant actor in its analysis.

Asian capitalism represents an ideal context for this project because its emerging and transitional economies represent a laboratory for natural experiments in institutional change and firm adaptation. Peng et al. (2008) suggest that the key research question for an institutional theory of firm strategy in emerging and transitional scenarios is “how (do firms) play the game when the rules of the game are changing and not completely known” (2008: 5).

Another way of framing the question is to ask: How do firms impact and co-evolve with their environment? Framed this way, an institutional theory of firm strategy is likely to be a co-evolutionary story because it will need to combine the complex political economy of institutional persistence and change with the purposive, creative, and adaptive behavior of firms and individuals. Co-evolutionary theory not only incorporates the *intentionless* and aggregated effects of self-interested firms, but also allows for the possibility that collective action might be deliberately and *intentionally* aimed at institutional targets (Carney & Gedajlovic, 2002). The next section considers some of the ways in which firms impact local institutions.

How do firm strategies influence institutions?

Causality in co-evolutionary theory is bidirectional. Given that the mass of institutional research on organizations explains how institutional processes shape the firm's behavior, we are eager to highlight the *reverse* direction of causality and we pay specific attention to the ways in which firm strategy collectively and intentionally feeds back to shape institutional structures. For purposes of illustration we select three well-documented firm adaptations in the Asian context: (1) filling institutional voids, (2) retarding institutional innovation, and (3) deploying institutional escape.

Filling institutional voids

A prominent feature of Asian capitalism is the organization of firms into a business group. A widely accepted explanation of business group organizations is transaction cost theory that suggests widespread market failures, or the absence of formal institutions that silently assure business transactions, create severe transaction costs for actors. Market failures have been alleviated by the establishment of business groups that trade repeatedly with one another to establish quasi markets for capital, executive talent, mutual insurance (Khanna & Yafeh, 2005), technology (Guillen, 2000), communications infrastructure (Fisman & Khanna, 2004), and other resources that are costly or inaccessible through unassisted market contracting.

In strategic terms, entrepreneurs respond to institutional deficiencies by internalizing transactions within self-selected groups, thus establishing an institutional microclimate to economize on transaction costs. Because actors consciously and deliberately create substitutes for market institutions, their actions may be seen as an act of institutional entrepreneurship to fill institutional void.

Retarding institutional development

However, it is also widely held that business groups are a temporary phase of capitalist development (Lee, Peng, & Lee, 2008). Many scholars believe the rationale for their existence will disappear once institutional voids have been repaired and a robust market infrastructure established. A co-evolutionary perspective suggests a more complex dynamic (Carney, 2008) to the extent that once business groups become a dominant organizational form, the aggregate effects of their action will feed back into institutional processes by contributing to the establishment of some practices and the exclusion of others. For example, the substantial presence of business groups that find it efficient to establish internal capital markets to allocate finance among competing projects will simultaneously reduce the liquidity and development of external capital markets (Almeida & Wolfenzon, 2006).

Moreover, empirical evidence suggests that internal markets within business groups are characterized by increasing returns to scale (Khanna & Palepu, 2000), which may result in an equilibrium characterized by the formation of very large business groups relative to the size of the economy. In this stable equilibrium, illiquid and inefficient external capital markets inhibit the rate of new firm formation and the growth of independent firms.

The co-evolutionary consequence of establishing efficient internal markets is to reinforce the dominion of a few very large firms, creating what Baumol et al. (2007) have described as oligarchic capitalism. The co-evolutionary perspective may have some bearing on the case of Chinese state-owned enterprises (SOEs) in a somewhat different light. The Chinese government clearly stated its resolution to develop 30 to 50 large internationally competitive SOEs in its bid to gain international competitive advantages while filling institutional void (Yang, Jiang, Kang, & Ke, 2009).

Deploying institutional escape

The idea that the creative act of institutional entrepreneurship may lead to domination by a few corporate groups will resonate with scholars who emphasize the exercise of power in emerging and transitional economies. Agency theorists (Morck & Yeung, 2004) and political scientists (Kang, 2003) see the exercise of power as a local response to external demands for institutional change, for example by foreign investors and institutional organizations such as the World Bank. The exercise of power is often utilized to preserve the status quo and is implicated in the persistence of institutional regimes.

Morck and Yeung (2004) focus primarily upon the role of long-lived multi-generational family firms' strategies toward political and institutional targets. Relative to publicly listed and managerially controlled firms, which are accountable to shareholders and operate under a relatively transparent regime of regulatory oversight, family controlled corporate groups are less susceptible to external oversight. These opaque features of their corporate governance endow family firms with superior political and rent-seeking skills. As a result of their complex corporate structures, families can act more discretely than freestanding firms, as one member firm may invest in a political relationship while another group firm benefits.

Unlike professionally paid chief executives, whose average tenure rarely lasts longer than five years, multigenerational family firms can profitably invest in political influence over a long time horizon (Miller & Le Breton-Miller, 2005). In closed and heavily protected economies financial performance is likely to depend more on political connections than on competitive capabilities, which is the traditional strength of the managerially controlled freestanding firm, and thus, family firms are likely to outperform the latter.

This heightened importance of political influence is often camouflaged in a nationalist rhetoric as elite entrepreneurs seek to legitimize their position by claiming to facilitate the goals of the developmental state. There is evidence that family firms may indeed perform this national service, at least in the initial stages of growth. However, following an extended period of importing technology and imitating foreign product designs, family firms typically encountered difficulties in making the transformation towards self-created innovation and the development of proprietary capabilities.

Increasingly, rent seeking becomes institutionalized as politically connected entrepreneurs cooperate to promote continued state intervention while demanding restrictions on foreign investment, frustrating the entry of new agents into the economy in return for safeguarding the domestic control of major strategic corporations. Hence, agency theory is emphasizing concentration of power to preserve a self-reinforcing equilibrium in which the incentives governing firms are to provide incumbents with control rights and rents they will be reluctant to relinquish and, fueling incentives to invest substantial resources in activities that preserve those rights. Scholars fear the emergence of a co-evolutionary dynamic will lead to the entrenchment of family groups (Bebchuk & Roe, 1999), unproductive entrepreneurship (Baumol et al., 2007; Yoshihara, 1988), sluggish innovation (Morck, Wolfenzon, & Yeung, 2005), and the frustration of institutional innovations.

Yet the exercise of power can obscure conflict and underlying power struggles among powerful incumbents seeking to preserve existing arrangements and coalitions of less powerful actors intent on creating new institutional arrangements. The establishment of change oriented coalitions involves the adaptation of many competing institutional logics of action articulated by a diverse group of agents who seek to adopt and adapt new practices that fulfill their own aspirations and self interests.

For example, coalitions may consist of diverse actors such as grassroots social movements opposed to corruption and international organizations promoting good corporate governance may be conjoined in common projects to enact, translate and otherwise struggle to make externally created institutional concepts fit within the prevailing institutional environment. Consequently, translation is often a highly contested process of institutional change that in the short-term produces outcomes observed by agency theories but which generates countervailing processes resulting in the gradual accumulation of incremental and significant adaptation and translated external institutional models and practice (Djelic & Quack, 2003).

Institutional escape through bricolage

The business strategies of ethnic Chinese-owned firms in Southeast Asia are attributed to the occupation of a precarious social position and a lack of support for entrepreneurship in their host society (McVey, 1992). The predicted response to an uncongenial environment is escape by loosening institutional attachments and changing domains (Oliver, 1991). The received understanding of institutional escape refers to practices such as offshoring production to avoid onerous regulatory requirements or capital flight, which is the export of capital to evade the risk of expropriation by a host government (Witt & Lewin, 2007). Additionally, an institutional environment that discriminates in favor of large firms as described above, or in favor of SOEs as in China, and discriminates against new entrants may motivate smaller firms and new ventures to escape by internationalizing their operations (Yamakawa, Peng, & Deeds, 2008).

A novel co-evolutionary form of institutional escape by ethnic Chinese entrepreneurs in Southeast Asia is portrayed by economic geographer Henry Yeung (2002, 2004, 2006). A prevalent view of Chinese capitalism stresses its deep embedding within a long cultural and institutional tradition that continues to shape the present (Redding, 1990). In contrast, Yeung advances a view that suggests Chinese entrepreneurs have cut loose from the cultural moorings and continue to evolve while being shaped by a diverse array of new and old influences.

The interaction of these influences has produced a cosmopolitan and heavily hybridized capitalism consequently requiring us to reinterpret the stereotype of Chinese capitalism (Yeung, 2006). This view receives some support in a study comparing the internationalization of Chinese and Korean firms (Yang, Lim, Sakurai, & Seo, 2009). These authors argue that Chinese firms internationalize their business partially as a response to the uncongenial institutional environment in their home country.

Yeung's (2004, 2006) portrayal of hybridized Chinese capitalism can be interpreted as a form of institutional bricolage or recombination (Crouch, 2005): the process of crafting new institutional solutions by recombining elements drawn from a repertoire whereby new forms differ but resemble old forms (Campbell, 2004). Due to the democratization and economic liberalization of several southeast Asian states, the business environment for ethnic Chinese entrepreneurs has become more congenial as political elites have largely transformed from being predators to promoters of capitalism (McVey, 1992).

These fundamental changes may have stimulated a process of institutional *disembedding* as a new generation of managers is less dependent upon ethnic networks. Kinship linkages with families based in mainland China are weakening and formal community associations are of declining importance. Educated in North American and European business schools, many ethnic Chinese entrepreneurs have widened and deepened their geographical scope to access international capital, talents, and technology for their firms.

The process of internationalization has generated a more cosmopolitan outlook and leads to the "enrollment of Chinese business groups into diverse and overlapping non-Chinese actor networks that span the globe" (Yeung, 2004: 67). In this context, ethnic Chinese-owned enterprises that are characterized by both continuity and change produce a hybridized capitalism in which the Chinese identity and family firm remain central components. Entrepreneurs have constructed new organizational forms, for example, professionally managed family-ruled enterprises (Tsui-Auch, 2004), adopting best-practice information technology, world-class managerial systems, and banking relationships that are isomorphic with global expectations of corporate governance (Yeung, 2006).

At the same time, ownership and authority remain concentrated and entrepreneurs retain flexibility by investing in a portfolio of generic assets that can be quickly redeployed (Yeung, 2004). The result is that ethnic Chinese entrepreneurs escape the institutions of any single nation state and migrate toward a *transnational* space distinguished by a supranational form of organization that shows little indication of convergence upon, and any particular model of, capitalism.

Institutional entrepreneurship and bricolage describe creative and recombinant approaches to institutional constraints whereas translation describes the power struggles in response to external stimuli and demands for institutional change. In these processes, we see a diverse group of actors, states, domestic firms, foreign investors, and international organizations, each imbued with a sense of strategic purpose, and often conscious of the need to actively shape institutions of capitalism that govern their interests.

The papers in this Special Issue

We received a total of 25 submissions for this Special Issue. The authors of 12 papers were invited to revise and resubmit and present their work at a Special Issue Conference held at the Queensland University of Technology, Brisbane, Australia, on December 10–12, 2007. Six out of 12 papers presented at the conference progressed through our review process and are included in this Special Issue. The authors of another six papers indicated an interest in the Special Issue but due to travel constraints were unable to attend the conference. Three of these papers were accepted by the review process and are included in the Special Issue. In total, nine papers (other than this Editorial) are in the Special Issue. They are summarized in Table 1.

Table 1 Main arguments and findings of papers included in this Special Issue.

Paper	Geographical focus	Main arguments and/or findings
Redding and Witt (2009)	China	China's institutional and cultural environment does not support the creation of complex organization, which limits the development of competitive capabilities.
Tipton (2009)	Southeast Asia	Postcolonial heritage is an obstacle to establishing the bureaucratic capacity needed to implement state-led industrialization.
Ritchie (2009)	Singapore	Competent economic bureaucracy establishes a complementary blend of liberal and coordinated market institutions that supports accumulation of high quality technical skills.
Andriesse and Van Westen (2009)	Malaysia and Thailand	Peripheral regional economies each develop tight complementary institutions that generate little indigenous entrepreneurial activity.
Huegens et al. (2009)	Twelve Asian countries	Meta-analysis finds that ownership concentration has a small positive performance effect. Supports the hypothesis that corporate governance choices act as a substitute for voids in institutional environment.
Steier (2009)	Asia	There is variation in characteristics of Asia's familial capitalism. Family firms' contribution to innovation and entrepreneurial capacity varies with each stage of economic development.
Terjesen and Hessels (2009)	Asia	Finds support for VoC hypothesis that high quality vocational education and flexible systems of industrial relations positively relate to export performance. Best regional performers, Japan and Australia, each represent opposing CME and LME ideal types of VoC, also support the VoC hypothesis.
Tan and Zeng (2009)	China	Successful SOE performance was marked by efficient resource use in early reform period. In later periods, successful performance is increasingly determined by flexible resource allocation. Better performing SOEs are transitioning from exploitation-based to exploration-based strategy.
Dodgson (2009)	Korea and Taiwan	The shift from technology imitation to innovation is a function of cultural and institutional drivers and inhibitors. Taiwan's network-based innovation strategy resembles liberal market economy. Korean firms retain commitment to large business group capital allocation methods that may retard leading-edge entrepreneurship.

In their broad perspective on the development of China's business system, Redding and Witt (2009) argue that the organizational and social capital ultimately necessary for the creation of high-value proprietary capabilities are rooted in shared expectations and common understandings about what is appropriate for social actors to do in any given circumstances. These expectations and understandings accumulate slowly over time, constraining both state-owned and family businesses from developing large complex organizations that are able to compete at the world class level. Similarly, Tipton (2009) argues that the bureaucratic capacity essential to the operation of a coordinated market economy is not easily developed. Tipton shows that in the postcolonial period, nationalist leaders articulated an ambitious developmental rhetoric that often exceeded their bureaucratic capacity, consequently besetting industrialization by an administrative capacity constraint. Whereas Southeast Asian states have adopted the trappings of a coordinated market economy, they frequently lack the strategic policy and administrative capacity to martial information and make intelligent policy choices.

In developing the theme of bureaucratic capacity, Ritchie (2009) describes in rich detail Singapore's creation of a complementary and fine tuned matrix of decentralized market incentives, state inter-agency cooperation, and public–private partnerships that provides an abundant stream of high quality skills to the industrial sector. The state-coordinated market-provided pool of human capital is a magnet for high-value foreign direct investment and an essential component of Singapore's state led brand of capitalism. However, the tight complementarities exhibited in Singapore may not necessarily lead to productive outcomes in other countries. In a comparative study of adjacent Malaysian and Thai regional economies, Andriesse and Van Westen (2009) describe contrasting peripheral micro-economies that have each developed distinctive complementarities. The paper draws attention to important regional differences in the character of capitalisms noting that peripheral regions can be encumbered with unsustainable varieties of developmental capitalism.

Huegens et al.'s (2009) meta-analysis of some 65 studies of the relationship between ownership concentration and firm performance in Asia finds that concentrated ownership by foreign and market-based investors typically outperforms concentrated stable and insider owners. Importantly for the VoC perspective is the finding that the value of ownership concentration declines with increasing institutional protection for minority shareholders, suggesting that firm governance choices may serve as a substitute for weaknesses in the institutional environment. However, their data point to limits of the substitution effect: at very low levels of institutional development ownership concentration fails to assure positive performance. Continuing the theme of concentrated ownership, Steier (2009) acknowledges the entrepreneurial strengths and corporate governance difficulties of Asia's ubiquitous family capitalism. He explains that family firms develop very different structural forms and play very different economic roles under different forms of capitalism. While many scholars distinguished between managerial, alliance, and family capitalism, Steier's contribution dimensionalizes the varieties of family capitalism and identifies their core entrepreneurial capacities.

Terjesen and Hessels (2009) also focus upon the quality of Asian entrepreneurship and explore the relationship between export-orientation and country-level institutional environments. Terjesen and Hessels find that high-quality vocational education and training and flexible systems of industrial relations are significantly and positively related to successful export-oriented performance, whereas factors that VoC suggest are important for economic performance, such as the quality of corporate governance, public institutions and cooperative employee relationships, appear in this study to be unrelated to export-orientation. Support for a co-evolutionary perspective on firm strategy is provided by Tan and Zeng's (2009) study of resource allocation efficiency and flexibility in China's SOEs in transition. Their findings suggest that successful performers tightly calibrate their resource allocation with the shifting environmental imperatives and that the best-performing SOEs evolve from efficient exploiters of established resource bases towards strategies based upon exploration, which is an indication that China's large firms are not necessarily locked into a single, path-dependent developmental trajectory.

Finally, Dodgson's (2009) review of Taiwan and Korea's national innovation systems is a study in contrast. While both countries have significantly reduced their dependence on foreign technology, Dodgson argues that Taiwan has made significant adaptations in its network-based innovation strategies and has embraced a liberal market approach in emerging industries such as biotechnology. In contrast, despite pressure from government policymakers, Korean firms maintain a commitment to *chaebol*-based capital allocation methods which often retard the development of leading-edge entrepreneurial firms. Despite significant technological progress, Dodgson concludes that in both countries deeply rooted cultural factors and values inhibit the appearance of social institutions supportive of radical innovation.

Conclusion

The varieties of Asian capitalism are emerging, transitional, and mature. Their varied features present a challenge to mainstream scholars investigating traditional capitalism in a Western context. We have taken the H&S VoC perspective as a point of departure to present a co-evolutionary theory to explore the Asian VoC to highlight the process in which firm strategy collectively and intentionally influences institutional structures. Rather than dwelling on the traditional institutional approach that focuses upon the impact of institutions on firms, we have shifted toward an actor-centered approach to depict bi-directional interaction between institutions and firms.

We believe that relocating the firm to the center stage along with other actors in a capitalistic economy in the institution–firm linkage discourse will open up many avenues for future research in this area. We contribute to the institutional theory literature by contextualizing the institution–firm phenomenon and delineating the complex institutional dynamics existing in Asian capitalism, which has not been explored by the mainstream literature. In particular, we believe that the papers included in this Special Issue offer preliminary insight into what promises to become an important research agenda and stimulate interest among VoC scholars to explore institution–firm linkages in other regions, or specific questions relating to the globalization of firms in emerging and transitional Asian economies and how that influences transnational, national, and local institutions, or puzzling questions relating to indigenalization of multinational firms and how that impacts local institutions.

References

Ahlstrohm, D., Bruton, G. D., & Yeh, K. S. 2007. Venture capital in China: Past, present, and future. *Asia Pacific Journal of Management*, 24(3): 247–268.

Allen, M. 2004. The varieties of capitalism paradigm: Not enough variety?. *Socio-Economic Review*, 2: 87–1008.

Almeida, H., & Wolfenzon, D. 2006. Should business groups be dismantled? The equilibrium costs of efficient internal capital markets. *Journal of Financial Economics*, 79: 99–144.

Amable, B. 2004. *The diversity of modern capitalisms*. Oxford: Oxford University press.

Amsden, A. 1989. *Asia's next giant: South Korea and late industrialization*. New York: Oxford University Press.

Andriesse, E. H. S., & Van Westen, G. 2009. Unsustainable varieties of capitalism along the Thailand–Malaysia border? The role of institutional complementarities in regional development. *Asia Pacific Journal of Management*, 26 (Special Issue). doi:10.1007/s10490-008-9107-2.

Baumol, W. J., Litan, R. E., & Schramm, C. J. 2007. *Good capitalism, bad capitalism, and the economics of growth and prosperity*. New Haven: Yale University Press.

Bebchuk, L. A., & Roe, M. J. 1999. A theory of path dependence in corporate ownership and governance. *Stanford Law Review*, 52(1): 127–170.

Boyer, R. 2005. How and why capitalisms differ. *Economy and Society*, 34(4): 509–557.

Boyer, R., & Hollingsworth, J. R. 1987. From national embeddeness to spatial and institutional nestedness. In R. Boyer & J. R. Hollingsworth (Eds.). *Contemporary capitalism: The embeddeness of institutions*: 433–484. Cambridge: Cambridge University Press.

Campbell, J. L. 2004. *Institutional change and globalization*. Princeton: Princeton University Press.

Carney, M. 2008. *Asian business groups: Governance, context and performance*. Oxford: Chandos.

Carney, M., & Gedajlovic, E. 2002. The co-evolution of institutional environments and organizational strategies: The rise of family business groups in the ASEAN region. *Organization Studies*, 23(1): 1–31.

Chandler, A. D. 1962. *Strategy and structure: Chapters in the history of American enterprise*. Cambridge: The MIT Press.

Crouch, C. 2005. *Capitalist diversity and change: Recombinant governance and institutional entrepreneurs*. Oxford: Oxford University Press.

Djelic, M.-L., & Quack, S. 2003. Globalization as a double process of institutional change and institution building. In M.-L. Djelic & S. Quack (Eds.). *Globalization and institutions: Redefining the rules of the economic game*: 302–333. Cheltenham: Edward Elgar.

Dodgson, M. 2009. Asia's national innovation systems: Institutional adaptability and rigidity in the face of global innovation challenges. *Asia Pacific Journal of Management*, 26 (Special Issue). doi:10.1007/s10490-008-9105-4.

Emirbayer, M., & Mische, A. 1998. What is agency?. *American Journal of Sociology*, 103: 962–1023.

Fenn, G., Liang, N., & Prowse, S. 1995. *The economics of the private equity market*. Washington, DC: Board of Governors of the Federal Reserve System.

Fisman, R., & Khanna, T. 2004. Facilitating development: The role of business groups. *World Development*, 32(4): 609–628.

Fruin, W. M. 1998. *Networks, markets and the Pacific Rim*. New York: Oxford University Press.

Gereffi, G., & Korzeniewicz, M. (Eds.). 1994. *Commodity chains and global capitalism*. Westport: Krueger.

Goodin, R. E. 2003. Choose your capitalism?. *Comparative European Politics*, 1: 203–213.

Guillen, M. F. 2000. Business groups in emerging economies: A resource based view. *Academy of Management Journal*, 43(3): 362–380.

Hall, P. A., & Soskice, D. 2001. *Varieties of capitalism: The institutional foundations of comparative advantage*. New York: Oxford University Press.

Hamilton, G. G., & Biggart, N. W. 1988. Market, culture and authority: A comparative analysis of management in the Far East. *American Journal of Sociology*, 94: 52–94.

Hobday, M. 1995. East Asian latecomer firms: Learning the technology of electronics. *World Development*, 23: 1171–1193.
Huegens, P., Van Oosterhout, J. H., & van Essen, M. 2009. Meta-analyzing ownership concentration and firm performance in Asia: Towards a more fine-grained understanding. *Asia Pacific Journal of Management*, 26(Special Issue). doi:10.1007/s10490-008-9109-0.
Kang, D. C. 2003. Transaction costs and crony captitalism in East Asia. *Comparative Politics*, 35(4): 439–458.
Khanna, T., & Palepu, K. 2000. Is group affiliation profitable in emerging markets? An analysis of diversified Indian business groups. *Journal of Finance*, 55(2): 867–891.
Khanna, T., & Yafeh, Y. 2005. Business groups and risk sharing around the world. *Journal of Business*, 78: 301–340.
Krueger, A. 1974. The political economy of the rent-seeking society. *American Economic Review*, 64(3): 291–303.
Lawrence, T. B. 1999. Institutional strategy. *Journal of Management*, 25(2): 161–188.
Lee, K., Peng, M. W., & Lee, K. 2008. From diversification premium to diversification discount during institutional transitions. *Journal of World Business*, 43(1): 47–65.
Makino, S., Isobe, T., & Chan, C. 2004. Does country matter?. *Strategic Management Journal*, 25: 1027–1043.
Mathews, J. A. 2006. Dragon multinationals: New players in 21st century globalization. *Asia Pacific Journal of Management*, 23(1): 5–27.
McGuire, J. B., & Dow, S. 2009. Japanese *keiretsu*: Past, present, future. *Asia Pacific Journal of Management*, 26(2): 333–351.
McVey, R. 1992. The materialisation of the Southeast Asian entrepreneur. In R. McVey (Ed.). *Southeast Asian capitalism*: 7–34. New York: Cornell University Southeast Asia Program.
Milgrom, P., & Roberts, J. 1990. The economics of modern manufacturing: Technology, strategy, and organization. *American Economic Review*, 80(3): 511–528.
Miller, D., & Le Breton-Miller, I. 2005. *Managing for the long run: Lessons in competitive advantage from great family business*. Boston: Harvard Business School Press.
Morck, R., & Yeung, B. 2004. Family control and the rent seeking society. *Entrepreneurship Theory and Practice*, 28: 391–409.
Morck, R. K., Wolfenzon, D., & Yeung, B. 2005. Corporate governance, economic entrenchment, and growth. *Journal of Economic Literature*, 43: 655–720.
North, D. C. 1990. *Institutions, institutional change and economic performance*. Cambridge: Cambridge University Press.
Oliver, C. 1991. Strategic responses to institutional processes. *Academy of Management Review*, 16: 145–179.
Orru, M., Biggart, N. W., & Hamilton, G. G. 1997. *The economic organization of East Asian capitalism*. Thousand Oaks: Sage.
Park, S. H., & Luo, Y. 2001. *Guanxi* and organizational networking in Chinese firms. *Strategic Management Journal*, 22: 455–477.
Peng, M. W. 2002. Towards an institution-based view of business strategy. *Asia Pacific Journal of Management*, 19: 251–267.
Peng, M. W., & Delios, A. 2006. What determines the scope of the firm over time and around the world? An Asia-Pacific perspective. *Asia Pacific Journal of Management*, 23(4): 385–406.
Peng, M. W., Wang, D. Y., & Jiang, Y. 2008. An institution-based view of international business strategy: A focus on emerging economies. *Journal of International Business Studies*, 39(5): 920–936.
Porter, M. E. 1996. What is strategy?. *Harvard Business Review*, 74(November–December): 65–76.
Ramo, J. 2004. *The Beijing consensus: Notes on the new physics of Chinese power*. London: Foreign Policy Centre.
Redding, G. 1990. *The spirit of Chinese capitalism*. New York: De Gruyter.
Redding, G., & Witt, M. 2009. China's business system in its future trajectory. *Asia Pacific Journal of Management*, 26(Special Issue). doi:10.1007/s10490-008-9126-z.
Ritchie, B. K. 2009. Economic upgrading in a state-coordinated, liberal market economy. *Asia Pacific Journal of management*, 26(Special Issue). doi:10.1007/s10490-008-9089-0.
Selznick, P. 1996. Institutionalism "old" and "new." *Administrative Science Quarterly*, 41(2): 270–277.
Steier, L. 2009. Familial capitalism in global institutional contexts: Implications for corporate governance and entrepreneurship in East Asia. *Asia Pacific Journal of management*, 26(Special Issue). doi:10.1007/s10490-008-9117-0.

Tan, J., & Zeng, Y. 2009. Stage-dependent model of resource utilization, strategic flexibility, and implications for performance over time: Empirical evidence from a transitional environment. *Asia Pacific Journal of Management*, 26(Special Issue). doi:10.1007/s10490-009-9140-9.

Terjesen, S., & Hessels, J. 2009. Varieties of export-oriented entrepreneurship in Asia. *Asia Pacific Journal of Management*, 26(Special Issue). doi:10.1007/s10490-009-9138-3.

Tipton, B. 2009. Southeast Asian capitalism: History, institutions, states, and firms. *Asia Pacific Journal of Management*, 26(Special Issue). doi:10.1007/s10490-008-9118-z.

Tsui-Auch, L. S. 2004. The professionally managed family-ruled enterprise: Ethnic Chinese business in Singapore. *Journal of Management Studies*, 41(4): 693–723.

Wade, R. 1990. *Governing the market: Economic theory and the role of government in East Asian industrialization*. Princeton: Princeton University Press.

Weidenbaum, M., & Hughes, S. 1996. *The bamboo network: How expatriate Chinese entrepreneurs are creating a new economic superpower in Asia*. New York: Free Press.

Whitley, R. 1999. *Divergent capitalisms: The social structuring and change of business systems*. Oxford: Oxford University Press.

Williamson, O. E. 1985. *The economic institutions of capitalism: Firms, markets, relational contracting*. New York: Free Press.

Witt, M., & Lewin, A. W. 2007. Outward foreign direct investment as escape response to home country institutional constraints. *Journal of International Business Studies*, 38(4): 579–594.

Yamakawa, Y., Peng, M. W., & Deeds, D. L. 2008. What drives new ventures to internationalize from emerging to developed economies?. *Entrepreneurship: Theory and Practice*, 32(1): 59–82.

Yang, X., Jiang, Y., Kang, R., & Ke, Y. 2009. A comparative analysis of internationalization of Chinese and Japanese firms. *Asia Pacific Journal of Management*, 29(1): 141–162.

Yang, X., Lim, Y., Sakurai, Y., & Seo, S. 2009. Comparative analysis of internationalization of Chinese and Korean firms. *Thunderbird International Business Review*, 51(1): 37–51.

Yeung, H. W. C. 2002. *Entrepreneurship and the internationalization of Asian firms: An institutional perspective*. Cheltenham: Edward Elgar.

Yeung, H. W. C. 2004. *Chinese capitalism in a global era: Toward hybrid capitalism*. London: Routledge.

Yeung, H. W. C. 2006. Change and continuity in Southeast Asia ethnic Chinese business. *Asia Pacific Journal of Management*, 23(3): 229–254.

Yoshihara, K. 1988. *The rise of ersatz capitalism in South-East Asia*. Oxford: Oxford University Press.

Zutshi, R., & Gibbons, P. 1998. The internationalization process of Singapore government linked companies: A contextual review. *Asia Pacific Journal of Management*, 15(2): 219–246.

Reviewers for the Special Issue

David Ahlstrom	Chinese University of Hong Kong, China
John Benson	University of South Australia, Australia
Burcin Calafiore	University of Connecticut, USA
Qing Cao	University of Connecticut, USA
Chao C. Chen	Rutgers University, USA
Yenn-Ru Chen	National Cheng Kung University, Taiwan
Howard Davies	Hong Kong Polytechnic University, Hong Kong
Ping Deng	Maryville University, USA
Marleen Dieleman	National University of Singapore, Singapore
Igor Filatotchev	City University, UK
Greg Fisher	Australian National University, Australia
Viet HaHoang	Macquarie University, Australia
Constance Lever-Tracy	Flinders University, Australia
Mingfang Li	California State University, Northridge, USA
Ray Loveridge	Oxford University, UK
Xufei Ma	Chinese University of Hong Kong, China
John A. Mathews	Macquarie University, Australia
Ngoc Anh Nguyen	Development and Policies Research Center, Hanoi, Vietnam
Jorge Niosi	Université du Québec à Montréal, Canada
Mattias Nordqvist	Jönköping International Business School, Sweden
Sonja Opper	Lund University, Sweden
Jenifer Piesse	King's College London, UK
Gordon Redding	INSEAD, France
Ed Rubesch	Thammasat University, Thailand
Danny Shapiro	Simon Fraser University, Canada
Ed Snape	Hong Kong Polytechnic University, China
Sujit Sur	Dalhousie University, Canada
Justin Tan	York University, Canada
Siri Terjesen	Indiana University, USA
Frank Tipton	University of Sydney, Australia
Stephane Tywoniak	Queensland University of Technology, Australia
Barry Wilkinson	University of Exeter, UK
Xiaotao Yao	Xi'an Jiaotong University, China
Michael N. Young	Hong Kong Baptist University, China

Michael Carney (PhD, University of Bradford, UK) is professor of management at John Molson School of Business, Concordia University, Montréal. He is currently a Senior Editor at *Asia Pacific Journal of Management*. His research has been published in *Strategic Management Journal*, *Journal of Management Studies*, *Organization Studies* and *Entrepreneurship: Theory and Practice*, among others. His research focuses upon Asia's family owned business groups and he recently completed a book on the topic entitled *Asian business groups: Context governance & performance*, published in 2008 by Chandos Press, Oxford, UK. This is his 7th contribution to the *Asia Pacific Journal of Management*.

Eric Gedajlovic (PhD, Concordia University) is an associate professor at Simon Fraser University where he holds a joint appointment in the Strategy and Innovation and Entrepreneurship areas. His research focuses on entrepreneurship and the comparative analysis of business, financial and governance systems and their influence upon the development of firm capabilities, strategic assets and national competitiveness. His research has been published in leading international management journals including the *Academy of Management Journal*, *Strategic Management Journal*, *Journal of Management Studies*, *Organization Science*, *Journal of Business Venturing*, *Organization Studies* and the *Asia Pacific Journal of Management*. He sits on the editorial boards of the *Journal of Management Studies*, *Asia Pacific Journal of Management* and *Family Business Review.*

Xiaohua Yang (PhD, University of Kansas) is a senior lecturer in the faculty of Business, Queensland University of Technology (QUT) in Brisbane, Australia. She holds a doctorate in International Business/ Strategic Management from the University of Kansas, US. Dr. Yang's scholarship has centered on firms' competitive strategies intersected with international institutional environments. She has published and presented numerous papers in international journals, books and conferences in the area of international strategic alliances, internationalization of firms, expatriate management, international firms' practices on corporate social responsibility, and foreign market entry strategies. She is the co-organizer and one of the guest co-editors for *Asia Pacific Journal of Management* Special Issue Conference on Varieties of Asian Capitalism: Indigenization and Internationalization. Dr. Yang is also a member of the executive committee of the International Association for Chinese Management Research and the editor-in-chief of the organization's newsletter.