Management and Organization Review

Management and Organization Review 15:3, September 2019, 463–465
doi: 10.1017/mor.2019.53

Letter from the Editor

I am very pleased to share that the 2018 MOR 2-year Impact Factor has increased to 2.4 from 1.462 in 2017 and that the 5-year Impact Factor has increased to 3.27 from 3.186. I believe that this step up in the recognition of MOR is reflected in greatly increased submissions and the sustained focus of the editorial team on working with authors to feature the 'jewels' in their papers and to strictly implement the data transparency and replication policies that were ushered in December 2016 (Lewin et al., 2016).

This issue is unique in that it features a special collection of papers on Innovation and Entrepreneurship in India, co-edited by Suresh Bhagavatula, Ram Mudambi, and Johann Peter Murmann, and a Perspective paper on re-conceptualizing and re-directing research on *guanxi* by Peter Ping Li, Steven Shijin Zhou, Abby Jingzi Zhou, and Zhangbo Yang; a topic of central interest to MOR. The paper by Chen, Chen, and Huang (2013) won the Best Paper Award of Chinese Theory of Management (2018) by Peking University Press and received the 2016 Emerald Citation of Excellence Award. MOR has assembled a collection of papers on *guanxi* [https://www.cambridge.org/core/journals/management-and-organization-review/collections/guanxicollection] and most recently published DiTomaso and Bian (2018), Burt and Opper (2017), and Burt and Burzynska (2017).

The timing of the special collection of papers on India parallels the globalization aspirations of China as reflected in the Bridge and Road strategy and with the very visible growth of China's outward direct investments in many regions of the world, especially to Africa, India, Russia, and Ex-Soviet Republics. It also reflects the growing competition between China and India as the two countries race to escape the middle income trap, which is highlighted in the editorial essay introducing the collection.

I see this collection as the opening salvo for attracting comparative studies relating to economic development and global competition with developed economies. At a time when India is focused internally on addressing challenges of inequality in wealth creation and income inequality, and the national priorities to create employment opportunities for a rapidly growing young population entering the workforce, China is positioning itself as one of India's largest foreign direct investors while also driving OFDI to Russia and Africa. Despite bilateral political

© 2019 The International Association for Chinese Management Research

https://doi.org/10.1017/mor.2019.53 Published online by Cambridge University Press

differences (e.g., over Doklam), competition with China will be shaped by the two countries' divergent political systems, history, culture, and national absorptive capacity for innovation in the new digital economy.

Not surprisingly, a major aspect of China's OFDI in India, Africa, and Russia are projects involving infrastructure investments in railroads, bridges, airports, electric grids, power plants, and mining, which are mostly undertaken by state-owned enterprises and financed by various state banks, the Bridge and Road fund, and other sources of soft loans. However, Chinese entrepreneurs and private businesses are also very active in exploiting opportunities in India, Russia, and in many countries in Africa, directly challenging the developed economies and their investments in these countries.

Early Chinese investments in India have concentrated on the automotive industry, mainly in the state of Gujarat. However, in recent years Chinese investments in Indian startups have come at a time when India's startup sector was facing a funding crunch. For example, in 2015, Alibaba invested $500 million in Snapdeal and $700 million in Paytm. Tencent invested $150 million in Hike the messaging app, and in 2018 China's drug giant, Fosun Pharma, acquired a 74% stake in India's Gland Pharma. But Chinese firms are also finding market opportunities in India. Chinese smartphone makers Xiaomi, Huawei, and Oppo have established manufacturing plants in India, and have been very successful in the India smart phone market. For example, in 2017 Xiaomi's sales in India grew by 259% and, not surprisingly, the lower labor costs (average Indian worker, earns about a fifth of a comparable Chinese worker) makes India attractive to Chinese entrepreneurs and established manufacturers. India, however, is not just benefitting from Chinese direct investments as a source of capital. Indian entrepreneurs are also benefitting from studying the successes and failures of Chinese companies in India and how Chinese companies 'find the way' navigating the Indian domestic market by trial and error.

MOR is excited to attract empirical and qualitative studies that explore Chinese outward directed investments into the rising economies of India, Africa, and other countries. The political economy issues that arise with China's quest to globalize are of interest to MOR. But of greater direct interest are questions about who benefits from China's OFDI in these rising economies? The local political elites in these countries? How are local firms leveraging the opportunities of engaging Chinese companies as suppliers and the opportunity for new startup companies? Are indigenous firms exploiting the competition between China and western companies and how? How are indigenous firms in Africa developing their legitimacy to successfully compete within their country as well as across Africa and in international trade (see e.g., Meouloud, Mudambi, & Hill, 2019)? The growing Chinese diaspora in these countries raises other issues of cross-cultural adjustments and conflicts. Similarly how do Chinese companies investing in these economies learn to adjust to local conditions, cross-cultural differences, training of indigenous employees, and integrating into the institutional

© 2019 The International Association for Chinese Management Research

https://doi.org/10.1017/mor.2019.53 Published online by Cambridge University Press

environment? Are the indigenous populations encouraged to learn Chinese? In a recent conversation I was told that in St. Petersburg all signs are now in three languages – Russian, English, and Chinese. More generally, what are the roles of Chinese and Western diasporas in the rising economies of India, Africa, and Russia?

To signal *Management and Organization Review*'s commitment to directing attention to China's globalization and to open new opportunities for management research, I am very pleased to announce the *Management and Organization Review* Research Frontiers Conference on 'China Outward Foreign Direct Investment to Africa' to be held July 21, 22, and 23 at the Gordon Institute of Business Science, University of Pretoria, and which is co-sponsored by the University of San Francisco China Business Studies Initiative. See the official call for papers in this issue and online here: https://www.cambridge.org/core/journals/management-and-organization-review/information/call-for-papers



REFERENCES

Burt, R. S., & Burzynska, K. (2017). Chinese entrepreneurs, social networks, and *guanxi*. ***Management and Organization Review***, 13(2): 221–260.

Burt, R. S., & Opper, S. (2017). Early network events in the later success of Chinese entrepreneurs. ***Management and Organization Review***, 13(3): 497–537.

Chen, C. C., Chen, X.-P., & Huang, S. (2013). Chinese *guanxi:* An integrative review and new directions for future research. ***Management and Organization Review***, 9(1): 167–207.

DiTomaso, N., & Bian, Y. (2018). The structure of labor markets in the US and China: Social capital and *guanxi*. ***Management and Organization Review***, 14(1): 5–36.

Lewin, A., Chiu, C., Fey, C., Levine, S., McDermott, G., Murmann, J., & Tsang, E. (2016). The critique of empirical social science: New policies at *Management and Organization Review*. ***Management and Organization Review***, 12(4): 649–658.

Meouloud, T. A., Mudambi, R., & Hill, T. L. (2019). The metropolitan effect: Colonial influence on the internationalization of Francophone African firms. ***Management and Organization Review***, 15(1): 31–53.

© 2019 The International Association for Chinese Management Research

https://doi.org/10.1017/mor.2019.53 Published online by Cambridge University Press