CALL FOR PAPERS: Special issue of *Journal of International Business Studies*

**INTERNATIONAL BUSINESS RESPONSES TO INSTITUTIONAL VOIDS**

**Special Issue Editors:**
Jonathan Doh (Villanova University, USA, jonathan.doh@villanova.edu)
Suzana Rodrigues (Erasmus University, The Netherlands, and FUMEC University, Brazil, srodrigues@rsm.nl)
Ayse Saka-Helmhout (Radboud University, The Netherlands, a.saka-helmhout@fm.ru.nl)
Mona Makhija (The Ohio State University, USA, makhija.2@fisher.osu.edu)

**Advisor to the Special Issue:**
Taran Khanna (Harvard University, USA)

**Deadline for submission:**
October 20, 2014

**Tentative publication date:**
Spring/Summer 2016

**Nature of the Special Issue**

The notion of institutional voids, relating to underdeveloped capital markets, infrastructure, intermediary markets, regulatory systems, contract-enforcing mechanisms or other institutions (Khanna & Palepu, 1997), has come to play an important role in understanding how firms make strategic choices in emerging markets. 'Void' refers to the absence of mechanisms that bring buyers and sellers (of products, talent, ideas, capital, and so on) together. To varying degrees and in varying ways, firms are thought to 'internalize' functions that are typically carried out by external markets or public authorities and/or rely on alternative forms of contracting such as trust that emanate from customs and traditions (e.g., Narayanan & Fahey, 2005). Although institutional voids are dominantly associated with emerging markets in the literature, developed markets also vary in the quality of their institutional conditions which in turn require specific strategic adaptations (see, for example, the discussion in Khanna and Palepu (2010) pertaining to institutional voids in the US subprime lending market), yet this is rarely considered in this literature. The term 'institutional void,' often taken to suggest a missing institution, may reflect a less developed, inefficient or poor-functioning form that can exist in any type of market. A broader conceptualization of institutional voids can thus allow for more detailed consideration of the nature of such voids and stimulate thinking on a greater variety of approaches different types of actors can take to respond to them. It may be for this reason that researchers have thus far tended to stress only a few such approaches, such as increased horizontal scope in business groups structures (Chang & Hong, 2000; Elango & Pattniak, 2007; Fisman & Khanna, 2004; Khanna & Palepu, 2000; 2010; Makhija, 2004; Peng et al., 2005), geographical clustering (Lundan, 2012), and allying with foreign firms (Siegel, 2004), as potential market responses to institutional voids by local firms. In addition, other types of actors, such as those related to the state (e.g., Musacchio & Lazzarini, 2014), nongovernmental organizations (NGOs), interest group coalitions and multinational enterprises (MNEs) also formulate market and nonmarket strategies to 'manage' around, or substitute for, institutional voids (Cantwell et al., 2010; Child et al., 2012; Mair et al., 2012; Teegen et al., 2004; Meyer & Nguyen, 2005), yet attention to such actors as well as the nature of nonmarket strategies has been limited. We have at present little understanding of how specific actors deal with, shape, or remedy institutional voids as they seek to enter and operate in foreign markets.
The goal of this Special Issue is therefore to encourage research that (a) broadens our understanding of institutional voids by considering their relevance for a variety of contexts ranging from developing to developed markets, and (b) deepens theoretical insight into how institutional voids are addressed by actors, including the nature of market and non-market strategies employed. We particularly welcome manuscripts that can stimulate a dialogue among different scholarships within and outside of IB on the nature and viability of different approaches in relation to specific institutional voids. Indeed, IB research often draws on more than one discipline to explain the conduct of business in differing contexts. For example, prior research has drawn on both political science and international business perspectives to show how firms' relationships with the state change the form and content of public regulations (Boddewyn & Brewer, 1994; Deeg, 2005; Makhija, 1993; Robinson et al., 2006; Ramamurti, 2005), as well as the influence of the state on business strategy through close business-state relationships (Aldrichi & Postali, 2010; Child & Tse, 2001; Li et al., 2013), policies and their incentives (Chacar et al., 2010; Makhija & Stewart, 2002), and preferential treatment through loans and compensation for market failures (Cuervo-Cazurra & Dau, 2009; Inoue et al., 2013). Similarly, sociological and anthropological approaches have been integrated with strategic and economic perspectives to explain non-market and market development processes (Doh et al., 2012; Mair et al., 2012). While interdisciplinary approaches are well known in IB research, they have not yet been applied as much to institutional voids. For this Special Issue, we encourage differing disciplinary approaches that can help foster discourse on how different actors respond to institutional voids, and in particular, the conditions under which nonmarket strategic choices are most appropriate.

**Topics**

With these goals in mind, we aim to attract submissions from scholars who draw on different theoretical streams, adopt diverse empirical approaches, and examine multiple levels of analysis to better understand institutional voids and strategies used in relation to them. While not exhaustive, the following list suggests possible topics and research questions that would be appropriate for this special issue, including those that:

- Draw upon or develop theory that facilitates understanding of how specific types of institutional voids emerge and develop in specific contexts. Combining historical or sociological perspectives with traditional IB approaches can help to gain greater depth in accomplishing this objective.

- Compare institutional environments in terms of specific political, legal and social aspects that influence the nature of institutional voids and the organizational responses to them.

- Compare the nature of institutional voids in emerging and advanced economies, and differences in MNEs' strategies for responding to them. How can we best assess and measure the extent and character of these voids?

- Develop and/or test a fine-tuned model of how MNEs' relationships and interactions with local firms, governments and civil society actors influence their success in that environment. Since these relationships require investment of time and resources, how can costs be assessed relative to benefits?

- Consider in detail the types and characteristics of institutional voids that require market or nonmarket responses, or both. How do institutional voids affect entrepreneurship in an economy? International (as opposed to national) entrepreneurship? Theories of entrepreneurship?

- Consider the role of institutional voids in institutional change. How might states, firms and civil society organizations introduce new/alternative institutional arrangements to compensate for institutional voids? What types of arrangements emerge under which conditions? Which institutional voids become constraints or enablers of institutional change and/or market formation?
Explain path dependence in the management of institutional voids. For example, successful compensation for institutional voids by a few entrepreneurs can cement dominance by leaving little opportunity for specialized intermediation to emerge, and in turn, other de novo entry (Khanna & Yafeh, 2007). What are the processes by which such "unhealthy" path dependence emerge? How do they compare with more beneficial path dependence processes?

Investigate how emerging market MNEs address institutional voids in other emerging markets and how those compensating strategies differ from those of developed country MNEs.

Investigate how market and nonmarket responses to institutional voids present new challenges or opportunities to IB theory and broader social science theories.

We will hold a special issue conference in Columbus in May of 2015, for manuscripts moving forward after the first round of reviews.

Submission Process

All manuscripts will be reviewed as a cohort for this special issue. Manuscripts must be submitted in the window between October 6, 2014, and October 20, 2014, at http://mc.manuscriptcentral.com/jibs. All submissions will go through the JIBS regular double-blind review process and follow the standard norms and processes.

For more information about this call for papers, please contact the Special Issue Editors or the JIBS Managing Editor (managing-editor@jibs.net).

HBS/JIBS International Paper Development Workshop: International Business Responses to Institutional Voids

Harvard Business School (HBS), in cooperation with JIBS, is pleased to host an international research workshop on "International Business Responses to Institutional Voids" on May 15-16, 2015, in conjunction with this special issue.

The workshop will provide an opportunity for authors whose work has been shortlisted for the JIBS SI to present their research papers and receive feedback from distinguished scholars and those in attendance. Only authors whose papers have been submitted to the special issue and who have received an invitation to revise and resubmit their paper for further consideration will be invited to present at the workshop. Distinguished scholars will be invited to serve as discussants and provide feedback to authors. There may be limited space for scholars interested in attending as general participants.

The workshop will begin Friday, May 15, in the HBS Baker Building with lunch and conclude the afternoon of Saturday, May 16. For those invited to present at the workshop, HBS will cover two nights lodging for one author per paper and meals during the workshop. For those interested in serving as a discussant or attending as a general participant, please contact Raj Choudhury, Mona Makhija or Jonathan Doh.
References


Special Issue Editors

Jonathan Doh is the Herbert G. Rammrath Endowed Chair in International Business, founding Director of the Center for Global Leadership, and Professor of Management and Operations at the Villanova School of Business. He is also a visiting professor at Wirtschaftsuniversität Wien (Vienna University of Economics and Business). His research on strategy in emerging markets, nonmarket

Suzana Rodrigues is Professor of Strategy at FUMEC University, Belo Horizonte, Brazil, Emeritus Professor of International Business and Organization at the Rotterdam School of Management at Erasmus University as well as Visiting Professor at Queen's University Management School, Belfast, UK, She is currently developing comparative research on institutional voids and international joint ventures, specifically in respect of SMEs in emerging and developing countries and the nonmarket strategies of a Brazilian MNE. Her research has been published in Human Relations, Journal of International Management, Journal of Management Studies, Management and Organization Review, Management International Review, and Organization Studies.

Ayse Saka-Helmhout is Associate Professor of Strategic Management at Nijmegen School of Management, Radboud University. Her research focuses on the nature of the relationship between MNEs and their institutional environments to advance debates on institutional change. Her work highlights how MNEs respond to institutional complexity through translation and situated practice-based learning processes. She has published on these issues in journals such as Organization Studies, British Journal of Management, Journal of World Business, Management International Review, and is guest editing a special issue on MNEs as a Challenge to Institutional Theory for the Journal of Management Studies. She serves as a Senior Editor for Organization Studies and is on the editorial board of British Journal of Management.

Mona Makhija is Professor of International Business at the Fisher College of Business, The Ohio State University. Her research focuses on how institutional features of national environments affect the strategies and structure of firms, nature of competition and behavior of managers. Her work also examines global strategies of multinational firms and the effects of organizational control and coordination mechanisms on the management of knowledge. Makhija has published her research in such journals as Academy of Management Review, Journal of International Business Studies, Strategic Management Journal, Organization Science, among others. She is currently Area Editor for Journal of International Business Studies.