

Preface

Technology is responsible for the largest part of modern economic growth. Technological innovation is almost entirely conducted in industrial nations. Accordingly, a company's organizational innovation and IT governance is a support for its implementation of technological innovation. Organizational innovation encourages individuals to think independently and creatively in applying personal knowledge to organizational challenges, while IT governance can be done by implementing an organizational structure with well-defined roles for the responsibility of information, business processes, applications, and infrastructure. The standard Western model of organizational innovation and IT governance is increasingly being challenged by the emergence of models. Now, we have organizational innovations and IT governance that have succeeded in the emerging economies, in the face of stiff competition from established multinationals, taking their fight for dominance to the home turf of these multinationals. This area of organizational innovation and IT governance abounds with numerous examples of companies from the emerging world, and the purpose of this book is to develop a general framework that underpin the broad approaches used by these companies and distill the essential features of this interesting development.

We provide contributions by experts from the emerging economies, detailing specific case studies of homegrown companies from these emerging markets. The broad outlines of their unique organizational innovation and IT governance strategy will be analyzed, the key lessons that they apply to face off against the developed world multinationals deduced, and finally, the strategic avenues they are pursuing to compete with traditional multinationals in global markets are scrutinized. Based on these case studies, we will describe their strategy and finally offer some valuable lessons for the traditional multinationals to compete effectively against this new breed of competitors when extending their production and supplier networks to emerging market countries, and provide an implication for the role of boundary spanners and issues of competition and governance in the interaction between established multinationals and new competitors.

The book is organized into 13 chapters that provide insight on Organizational Innovation and IT Governance in Emerging Economies as a whole.

Chapter 1, "Knowledge Management in Small and Medium Enterprises," focuses on a judicious approach for KM in SMEs, and the overall mission of this valuable study done by an in-depth literature review and contextual analysis is to aid researchers in recognizing and understanding the knowledge management spectrum for small and medium enterprises in a globalized world. This would be indispensable for successful goal attainment and sustainable business in a contemporary complex economy.

Chapter 2, "Modularization (MD) and IT in Auto Industry: An Empirical Study in PRC," is a pioneer study on the application and impact of modularization in the Chinese auto industry. The role of IT as a mediator and moderator is analyzed in this study. Academically, this research fills in the gap of empiri-

cal study on modularization and its impact in auto industry of developing economy. In practice, it can help decision makers in auto industry make a more scientific decision of whether and how they should go into modularization, and have a better understanding of the characteristics of global auto industry in developing economy.

Chapter 3, “Mobile Financial Services at the Base of the Pyramid: A Systemic View for Cross-Sector Governance and Embedded Innovation,” addresses how a systemic view helps integrate the Philanthropic Initiatives (PI) and the Commercial Initiatives (CI) to get a sustainable impact on the unbanked micro-entrepreneurs. Using the soft system thinking, the authors theorise the Base of the Pyramid (BoP) as a business system to mix up the relatively high start-up capabilities of the PI with the relatively sustainable impact of CI. The mobile money case shows that donors, local private enterprises, and multinational corporations follow the BoP strategy to develop an online grid that offers a reconciled balanced scorecard for economic returns, social benefits, and local impact. Such a strategy guarantees flexible, long-term investments and facilitates developing innovative financial services.

Chapter 4, “Entrepreneur Social Capital, Knowledge Acquisition, and Start-Up Firm Performance,” empirically analyzes the newly established 564 companies in Yangtze delta area and finds that environmental trust has a positive effect on the construction of network relationship and network capacity. While knowledge acquisition is significantly and positively correlated with the start-up firm performance, it also indicates that the relation between environmental trust and start-up firm performance is an inverse U shape. The authors claim that the knowledge acquisition of enterprise will promote the relationship between entrepreneurial social capitals and enterprise performance, as well as announcing that only through strong entrepreneurial social capital can people get the knowledge they need. Furthermore, knowledge needs to be translated into the internal ability of enterprise in order to get a competitive advantage for the enterprise.

Chapter 5, “Workplace Spirituality and Transformational Leadership: An Assessment of their Relationship and Fry’s Causal Spiritual Model,” demonstrates that transformational leadership has the capacity to drive employees towards meaning, purpose, and interconnectedness with the organization’s goals and values. Researchers agree that transformational leadership inspires, motivates, and also attempts to connect with followers. Thus, while workplace spirituality is a potent ingredient in the modern workplace, transformational leadership is the driving force that actually transforms the workplace. Thus, it can be concluded that proposing that transformational leadership can potentially encourage and sustain workplace spirituality. Suggestions and recommendations for future empirical research are provided.

Chapter 6, “Towards a New Definition of Social Innovation,” focuses on social innovation, a topic that the literature has been increasingly discussing in the last decade. The adopted approach exploits the literature review and is based on an in-depth analysis of the definitions of social innovation: the authors collected and catalogued them, identifying the main dimensions of analysis. Clarifying what social innovation is and the role that companies play in social innovation initiatives can increase companies’ awareness of what they can do with respect to social innovation, possibly taking advantage of this in terms of business objectives.

Chapter 7, “Study on the Path and Mechanism of Evolution of Competitive Advantage of Chinese Auto Enterprises,” puts forward a conceptual framework of competitive advantage and technology catching up of independent brand automobile enterprises in China. The model indicates that market identifying capability, technology identifying capability, resource mobilization (or configuration) capability, and organizational learning are four key components of competitive advantage automobile enterprises in China are pursuing. The four factors jointly affect the performance of latecomer auto enterprises catching

up. Then, a validity testing for the model is performed by the practice in independent brand automobile enterprises in China. In the end, the author draws the implications of the model for Chinese independent brand automobile enterprise technology catching up.

Chapter 8, “HRM Practices and Knowledge Sharing Behaviour: Lessons from Pakistani Knowledge Intensive Firms,” examines the empirical effect of Human Resource Management (HRM) practices on employees’ knowledge-sharing behaviour in Pakistan. The authors find that employees’ knowledge-sharing behaviour is independent of reward systems and employee recognition. This chapter is entirely based on employees’ perceptions; therefore, the results of this study are from an employee’s perspective, rather than from a management perspective. Therefore, the chapter makes a valuable contribution, given the lack of empirical studies focusing on the South East Asian region. This study is beneficial for researchers, practitioners, and those interested in organisational structure and relationships across organisations in the knowledge context.

Chapter 9, “Knowledge Management Strategies: Balanced Systems in Public Sector,” aims to investigate how knowledge management strategies influence the development of an organisation’s strategies and how BSC could be used to develop Strategic Knowledge Management Balanced System (KMBS) for strategic management. The research provides a theoretical theory through linking research and literature on Strategic Management (SM), Knowledge Management (KM), and Balance Scorecard (BSC). This chapter examines the underappreciated influence of strategic knowledge management on performance management by using the balanced scorecard in the public sector.

Chapter 10, “Biopharma Innovation Models for Gulf Region in the Era of Globalisation,” claims that biopharmaceutical is the most upcoming segment of the pharmaceutical industry as the use of biotechnology has the potential to provide cures for the most life threatening and difficult ailments. At the same time for biopharma innovation, factors like increasing costs, high continuous funding, and risk funding are of increasing concern for the emerging economies. This chapter explores the potential of gulf countries to be able to innovate on their own strength along with the international partnering model of BRIC.

Chapter 11, “International Market Entry Modes: The Case of Chinese Pharmaceutical Companies,” summarizes the experience of a Chinese pharmaceutical internationalization through an empirical research, and finds the effective modes of international market entry are product upgrading along the industrial chain, international certification and cooperation, outsourcing and licensing, and other paths of overseas expansion. The implication for pharmaceutical companies of emerging markets is to choose the suitable entry modes based on advantages, learn from the experience of other emerging markets and domestic leading companies of internationalization, and gradually enter the standard market. This study not only provides international market entry modes for the latecomer of Chinese pharmaceutical companies, but also enriches the internationalization theory of emerging markets.

Chapter 12, “A Study on the Effect of Intellectual Capital on the Organizational Performance of Banking Sector in Malaysia,” examines the effect of intellectual capital on the organizational performance of banking sector operating in Kuching Malaysia. This chapter uses a sample of 300 participants employed in banking sector to examine the role of intellectual capital. A convenience sampling technique was used to select the respondents. To achieve the objective of this study, seven research hypotheses were constructed. Multiple regression analysis was used to test the proposed research hypotheses. The findings demonstrated that all the proposed research hypotheses were not supported. The findings of this study are contrary to the previous studies. However, this study opens a new discussion in intellectual capital field. This study demands further empirical researches to affirm the role of intellectual capital in the knowledge-intensive organization.

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Chapter 13, “Entry Modes and the Impact of Mobile Microfinance at the Base of the Pyramid: Scenarios of ‘My Village Phone’ in Egypt,” developed a scenario analysis to explore the linkages between the entry modes and development paradigms using the case of “My Village Phone.” This chapter contributes toward a typology of entry modes and development scenarios for mobile telecoms market in general and for mobile microfinance specifically. At the policy level, the authors provide a testable business model for the candidate mobile telecom that looks for holding the fourth mobile license in Egypt; at the theoretical level, the study offers a new conceptual framework, the balance of power, that is drawn from three social science domains: systems thinking, systemic foresight, and theories of power.

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