

EDITORIAL

Research on organizations and markets in the emerging economies covers a broad range of issues. As expected from the founding stage of the Journal, the second publication exemplifies a diversity of research questions raised, theories employed, methods applied, countries and industries selected for the research. Let us take a brief look at each paper published in Issue 2.

Traditional IB literature thrives on research on acquisitions of Western MNEs undertaken in the developed countries, and to a lesser extent in the emerging economies. Despite some progress, acquisitions of MNEs from the emerging economies still remains pretty much understudied and under-reported. The first article is written by Indian scholar Jaya Prakash Pradhan, who focuses exactly on this phenomenon, that is, the acquisitions carried out by emerging multinationals originating from the emerging markets. The article reports that Indian pharmaceutical firms internationalize through acquisitions of foreign assets, which helps them not only to access new geographical markets but also to overcome limited product development capabilities. Specifically, research findings highlight the role of host market size, intensity of patenting, skill and liberal FDI policy regime as the key determinants of the geographical distributions of Indian pharmaceutical acquisitions. This indicates that Indian MNEs operating in the pharmaceutical industry are using acquisitions as a mixed strategy of accessing markets as well as strategic assets/resources necessary for accelerated development of their core competences.

The second article, prepared by Malaysian authors Ismail and Ramly, reports their findings on career aspirations of research and development (R&D) professionals employed at the government research institutes (GRIs) and multinational corporations (MNCs) in Malaysia. The article draws on Social Cognitive Career Theory to understand what shapes career aspirations of R&D professionals working in two different sectoral (public versus private) and cultural (Malaysian versus international) contexts. Interestingly, their study found that differences are not as considerable as could be expected. Research results indicate that continuous improvement practices were the strongest predictors of career aspiration in both types of R&D organizations. Self-efficacy was found to be the second strongest predictor of the respondents' career aspirations, while organizational socialization was not a good predictor of career aspirations. Furthermore, cognitive-person factors (self-efficacy) and behaviour (continuous improvement practices) contributed more to the career aspiration of R&D professionals than factors of internal organizational environment. As a major contribution, the authors argue

that continuous improvement practices should be considered in the existing model of SCCT behaviour variables when this model is applied to the R&D settings.

The third article, written by Indian scholars Mishra and Bhaskar, puts forward two rather provocative questions: (1) what is the role of empowerment in an organization's learning capability and (2) is empowerment an essential attribute of a learning organization? To answer these questions, the authors studied information technology sector companies in India, clustered in National Capital Region, drawing on quantitative and qualitative research methods, most notably, still rarely used grounded theory. The study has generated quite unexpected outcomes. First of all, the findings indicate that only the decision-making dimension of empowerment has emerged as a significant predictor of organizational learning. Secondly, neither the power sharing nor people-valuing dimensions have been found as significant predictors of organizational learning. Finally, research reveals no difference in high and low learning organizations on their empowerment pattern. These findings differ considerably from a general theory of organizational learning and definitely call for more research on the impact of empowerment on organizational learning.

In the fourth article, Ghanaian scholars Ofori and Sackey study the issue of social capital and its impact on organizational importance. Generally, research findings confirm the core hypothesis that social capital plays an important role in facilitating production, enhancing information sharing and other key organizational activities. In addition, the study found that social capital has a significant relationship with organizational performance, e.g. that firms possessing high social capital report higher firm productivity since the organizational members perform their tasks and contribute to organizational goals better. The article reports that out of the six elements of social capital (reciprocity, trust, institutional ties, diversity of contacts, density of personal contacts and social ties) the elements of trust, reciprocity and institutional ties tend to display the most significant positive relationship with organizational performance. Generally, research on this issue indicates that social capital has two opposite effects on individual and organizational action. On the one hand, it facilitates access to knowledge and resources, and on the other hand, it reinforces existing social boundaries and limits organizations and their members within its context as a result of heavy at times obligations to social groups and families. Thus, there is a clear need for more research on the positive and negative effects of social capital on overall organizational performance and core processes.

In the fifth article, Rybina, Reardon and Humphrey report findings on the impact of patriotism and cosmopolitanism on consumer ethnocentrism and, in turn, on buying behaviour in Kazakhstan, which as a country provides a very interesting historical, cultural and political context for such study. Through extensive quantitative analysis, based on the students' sample, the authors derive several conclusions. First, as expected, their research indicates that consumer ethnocentrism leads to high consumption of locally produced goods and to the lower level of consumption of foreign made products. Sec-

ond, patriotism has a significant positive effect on consumer ethnocentrism. Third, cosmopolitanism has a significant negative effect on ethnocentric attitudes of consumers in the country studied. It appears that patriotism has marginally negative effect toward foreign goods in Kazakhstan. Finally, discussion of the research findings in a historical context provides insights on the cosmopolitanism of Kazakhstani population and its openness to foreign cultures and foreign products.

Dikčius and Stankevičienė delve into relatively new and understudied phenomenon, namely, attitudes of consumers towards the brand in the face of its duality comprised of the country of manufacturing origin and the country of brand origin. It is expected that the impact of country of manufacturing origin and country of brand origin can vary from country to country. However, the question remains as to what influences the attitudes of people broadly sharing the same cultural background, but living in different countries. More specifically, do consumers of the same nationality and background, but living in different countries, develop different attitudes towards the same brands if they know their manufacturing and brand origins? The authors set out to evaluate the attitudes of the Lithuanians who live in Lithuania and those of Lithuanian emigrants living in different countries (Ireland, the UK and Finland) with regard to the importance of country of origin. The main novelty of this study is its focus on emigrants versus nationals living in their home country. This research raises several important questions, in particular, how foreign cultures and socialization processes affect their attitudes towards the brands, especially, of dual origin.

In the final article, Subadar and Hossenbaccus report a study on contrarian effect on the Stock Exchange of Mauritius. Contrarian effect research builds on De Bondt and Thaler (1985), who presented a controversial study in which they found that long-term past losers (lowest-return stocks) outperform long-term past winners (positive or highest return stocks) over the subsequent three to five years. De Bondt and Thaler (1985) argued that investors overreact to both bad news and good news thereby causing past losers to become underpriced and past winners to become overpriced. This argument is known as an overreaction hypothesis. It explains the anomaly, i.e. why past losers earn relatively higher returns than past winners. In the light of this background, Ashad and Anas' study found, contrary to major trends from markets around the world, that contrarian investment strategies are not generating the same results in Mauritius. Naturally, this is the first study on contrarian effects in Mauritius and more research on this issue is needed on this and other emerging economies.

In conclusion, we are pleased to see that OMEE serves its mission well. Issue 2 presents valuable insights on organizations and markets from such little studied countries as Mauritius, Ghana, Lithuania and others. As this brief review shows, articles here cover a diverse set of industries, which include pharmaceutical, information technology, consumer electronics, finance and even the public sector. Given the objectives of OMEE, we are also pleased to witness a variety of research methods employed. Clearly, quantitative methods still dominate, but alongside quantitative studies, we see contri-

butions utilizing qualitative research methods, including rarely used grounded theory approach.

Therefore, the first two issues encourage us to continue our work and, with your support and engagement, we look forward to contributing to the knowledge creation and dissemination on organizations and markets from emerging economies.

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Organizations and Markets in Emerging Economies