

APJM Special Issue Call for Papers

New Management Models in “Hidden Champions” as Niche Leaders in Asian Countries

Guest editors

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Background and Objective

Hidden champions or niche leaders are highly successful small or mid-sized companies in the top three positions in terms of global market share in a niche market segment, thus often called “small giants”. Such firms focus narrowly on a market niche, usually in need for specialized technical expertise and market insight so as to direct their resources toward maintaining the top positions in that market niche (Simon, 1992). Moreover, these firms commonly remain invisible to the general public because their businesses tend to involve the upstream components used in the downstream processes (e.g., B2B businesses).

Not only prevalent in Europe, niche leaders are also getting popular in the East Asia, such as Japan, South Korea, and China. For example, the Japanese government launched the program of “Global Niche Top Companies Selection 100” in Fiscal Year of 2013-2014 (repeated in 2019-2020) with four evaluation criteria: (1) market performance in terms of revenue and profitability; (2) strategic uniqueness via innovation; (3) competitive advantages, and (4) internationalization. In short, a Global Niche Top firm is one operating in a market that is not particularly large, but it holds an overwhelming share in a niche market, and it has an important presence that supports global supply chains. Similarly, the government of South Korea started the project of “World-Class 300 & Global Specialized Enterprise Cultivation” in 2015 with five evaluation criteria: (1) high-level globalization; (2) highly innovative management; (3) recognized brand; (4) strong competitive advantages, and (5) sustainable growth. Hence, these niche leaders in the East Asia are similar to the hidden champions in Europe.

Lagging behind the counterparts in Japan and South Korea, many Chinese firms are often at the bottom of global value chains with marginal profits (Deng, Ma & Zhu, 2022). The strengths of such Chinese firms typically lie in imitation and downstream assembly, rather than innovation and upstream components. However, over the past two decades, many Chinese small and medium-sized enterprises (SMEs) have tried to enhance their competitive positions by moving up along the global value chains (Li et al., 2022), similar to the case of their counterparts in South Korea in the past (Suh & Kim, 2014). In particular, inspired by the notion of “hidden champions”, the Chinese government has recently sponsored two groups of SMEs, i.e., “**niche champions**” (单项冠军) and “**specialized, advanced, differentiated, and innovative**” (SADI 专精特新) firms. In particular, SADI firms serve as the vehicle to promote new technological nationalism (Luo, 2022) and counter the US-China decoupling (Li et al., 2021).

It is worth noting that the niche leaders in China may be smaller than those in Europe, Japan and South Korea where the focus is on the medium-sized niche leaders, so China promote both medium-sized and small niche leaders.

All niche leaders (similar to hidden champions) have following common characteristics:

1. Specialized in a core component segment within one or more specific supply chains;
2. Advanced in internal management related to the lean process, e.g., production, R&D, technology, human resource, and finance, among others, especially at the high-end position in the global value chains;
3. Differentiated from competitors with some unique features and advantages;
4. Innovative by providing novel products and/or services to their customers.

Niche leaders have been studied from different perspectives (see Schenkenhofer, 2022 for the most recent review), including financial performance (e.g., Johann, Block & Benz, 2021); human resource management (e.g., Garaus, Wagner and Kummer, 2015); internationalization strategies (e.g., Audretsch, Lehmann & Schenkenhofer, 2018), among others. With a few exceptions (e.g., Kim, 2016; Lei & Wu, 2020), most of such studies focus on the empirical data from certain European countries, such as Germany (Schenkenhofer, 2022; see Kim & Park, 2019 for a review of studies comparing SMEs in Germany and South Korea).

The East Asian countries have paid more attention to niche leaders in recent years, e.g., China’s SADI program and Korea’s “strong medium-sized enterprises” (Kim, 2016; Lei & Wu, 2022). However, one can observe clear distinctions between the niche leaders in Asia and the hidden champions in Europe (cf. Kim & Park, 2019; Schenkenhofer, 2022). For instance, the niche leaders in Asia often start from imitation and then move up the value-added ladder; while the hidden champions in Europe are rarely listed publicly, most of niche leaders in China have either gone public or plan to go public soon, and they proactively pursue brand recognition; the niche leaders in China often expand into adjacent business domains from their original core beyond the options of focus and differentiation (cf. Schenkenhofer, 2022), and they tend to strike a balance between domestic and global markets. It is worth noting that, somewhat related to the born-global firms or international new ventures that tend to be niche players in high-tech sectors (Cavusgil & Knight, 2015; Deng, Jean & Sinkovics, 2018; Hennart, Majocchi & Hagen,

2021), the endogenous decision by niche leaders in Asia to attain global leadership is relatively preceded by the exogenous structure of niche market segment (Schenkenhofer, 2022).

This special issue aims to improve our understanding of niche leaders in the Asia-Pacific region and offer unique and abundant opportunities to reconsider the diverse extant theories on entrepreneurship, innovation, and international business, among others, by enriching and extending such theories to account for the unique features of niche leaders in the Asia-Pacific region. In particular, studying diverse niche leaders bears special implications for SMEs in other contexts. We seek manuscripts to advance theoretical perspectives with the new empirical evidence from the Asia-Pacific region.

Among others, potential research question are as follows:

A. Individual/Team Level:

Do Asian niche-leading entrepreneurs have unique leadership and decision-making pattern?

How do Asian niche leaders form their board and top management team (TMT)? Are there any unique patterns? How board members and TMT influence strategic decision? What kind of team structure do Asian niche leaders have?

B. Firm/Alliance Level:

What are the unique strategies, structures, resources and governance mechanisms among Asian niche leaders?

How do Asian niche leaders balance and integrate “focus” and “diversification”?

How do Asian niche leaders use digitalization improve their capabilities and resilience?

How do Asian niche leaders strike a balance between “exploitation” and “exploration”?

How do Asian niche leaders form social network and strategic alliance?

How are Asian niche leaders embedded in industry ecology and platform?

How do Asian niche leaders collaborate with universities and research institutions?

What is the process of internationalization, regionalization, and globalization among Asian niche leaders?

How do Asian niche leaders leverage global supply chains?

C. Context/Ecosystem Level:

How do Asian niche leaders seize external opportunities in both home and overseas markets?

What kind of industry policy design and approaches could facilitate the development of Asian niche leaders?

How do Asian niche leaders leverage and influence the development, expansion, and competition of industrial clusters?

What are the unique relationships between Asian niche leaders and their governments?

Will the development of Asian niche leaders influence the technological and economic decoupling? What will be the impact on and from de-globalization and new technological nationalism?

D. Innovation Pattern

What unique business models do Asian niche leaders have?

What are the differences between Asian niche leaders and other “champions” (e.g., hidden champions in Germany) in terms of business model?

What are the unique innovation patterns of Asian niche leaders?

E. Developmental Process

Will Asian niche leaders have unique entrepreneurial processes and mechanisms?

How do Asian niche leaders acquire internal and external investment?

How do Asian niche leaders cope with carbon peaking and carbon neutrality goals?

How do Asian niche leaders carry out their corporate social responsibilities and ESG activities?

Timeline

Manuscript submission deadline: June 30, 2023

First-round reviews and decisions: September 30, 2023

Tentative date for the Special Issue publication: December 15, 2024.

Manuscript submission

Manuscripts should be formatted as per the Journal’s guidelines

(<https://www.springer.com/journal/10490/submission-guidelines>). Authors should select this special issue, while submitting manuscripts online

(<https://www.editorialmanager.com/apjm/default.aspx>). Informal inquiries are valued, and can be directed to the guest editors.

Editorial team biographies

Peter Li is Li Dak Sum Chair Professor of International Business at the University of Nottingham Ningbo, China, and part-time Professor of Chinese Business Studies at Copenhagen Business School, Denmark. His primary research focus is on building geocentric (West-meeting-East) theories from the cultural and historical perspectives. He has published about 80 articles in various academic journals, 20 book chapters in English, and 5 books. In addition, he has also

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