
Editorial

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Biographical notes: Jyh-Jeng Wu is Professor of Business Administration at Providence University in Taiwan. He received his PhD degree in Business Administration from Taiwan's National Cheng Kung University in 1997. His research focuses on issues related to marketing strategy and e-commerce. His research has been published in *Tourism Management, Issues and Studies, International Service Technology and Management* and *Asia Pacific Management Review*.

Clyde Warden lives in Taiwan where he is Professor of Marketing and Business Communication. He speaks Chinese, which comes in handy for his fieldwork that often centres on intercultural marketing issues. Research papers by Clyde have appeared in the *Journal of Advertising Research, International Journal of Service Industry Management, Journal of Hospitality and Leisure Marketing, TESOL Quarterly, Language Learning, and Foreign Language Annals*.

Competitive advantage is the ability of the firm to outperform rivals along primary performance goals. Success in business requires establishing and sustaining competitive advantage. Both these conditions demand insight into the nature and process of market competition. A challenge immediately facing enterprises is how to obtain competitive advantage from their strategic formation and business decision-making. Since this task is critical to the success of business, yet difficult to complete, many researchers have devoted themselves to studying this issue.

Our Editorial Review Board has worked to bring you an excellent combination of articles from the fields of strategy. This special issue opens with Wingren's article, 'In search of value creating activities: an empirical study', which examines value creation in view of the activities' effect on the profitability of the company. With the presented method, it is possible to divide the case organisation's most important value creating

activities into two clusters. The first cluster includes activities, which have only negative effects on the company's profitability, while the other activity cluster has only positive effects. The drivers for positive or negative value creation (profitability) are discussed together with the practical suggestions at the end of this article.

Yao's article, 'Logistics network structure and design for closed-loop supply chain in e-commerce', designs a closed-loop supply chain by integrating the forward supply chain and the reverse supply chain. After having an optimal closed-loop supply chain, enterprises can have high adaptability to compete in the changing market. This paper introduces an 'extended continuous approximation' method to help design a logistics network in a closed-loop supply chain as a unique strategy for enterprises to gain a competitive advantage.

Hicks 'Industry performance gradient indexes and market entrance: an empirical tool for market researchers', examines the Industry Performance Gradient Index as an analytical tool for market researchers that can specifically screen markets for potential entrance. The identification of the Industry Performance Gradient Index as a market entrance tool is examined empirically in the Tennessee banking industry. This highlights the potential benefits in using the Index when identifying potential profits from easily obtained data including: incumbent profits, market structure and output sensitivity to price changes in the market.

Wu *et al.*, in 'The evaluation of management competitiveness for Taiwan and Southeast Asian countries', proposes to develop a measurement model of management competitiveness at the country level, and to evaluate its overall management capability through a series of literature reviews, expert interviews, panel discussion, and questionnaire surveys. The results indicate that among Southeast Asian countries, Taiwan and Singapore are in superior positions in terms of innovation capability, intra-industrial integration, financial capability, managers' competency and international operation.

Tseng and Chang's 'The effects of an MNC subsidiary's integration and local responsiveness on its performance: an empirical study of Taiwanese enterprises' subsidiaries', also explore the effects of a subsidiary's integration and local responsiveness on its performance. The current analysis reveals that a subsidiary's integration with its parent company and its local responsiveness has a positive influence on performance.

Huang and Chan, in 'The impact of strategic alliances on shareholder wealth: the role of growth opportunity', indicate that the effect of strategic alliance announcements on shareholder wealth is significantly negative for high-growth firms; while high-growth firms that form intra-industry alliances or partner with foreign companies have better announcement effects. For low-growth firms, inter-industry alliances and partnerships with domestic firms result in better announcement effects.

Chen *et al.*, in 'Commercial banks' performance in Taiwan', employ a Data Envelopment Analysis (DEA) approach to generate efficiency indices as well as Malmquist productivity growth indices for each bank. They include three inputs – labour, deposits, capital, and three outputs – total loans, investments and other income in their analysis.

Shih *et al.*, in 'Exploring HR outsourcing and its perceived effectiveness', examine the impact of HR outsourcing on corresponding perceived effectiveness. Four variables, namely environmental dynamism, company strategy, HR involvement in the company's strategy process, and contractor relationship are employed to test the moderating effect between HR outsourcing and its effectiveness.

It is our hope that the special issue will provide an addition to the literature on competitive advantage, and that these papers can be a resource for practitioners and policy makers as well as a foundation for future research. We appreciate the constructive and timely blind reviews. The willingness of reviewers to share their expertise helped strengthen the rigour and quality of this special issue.