



# Strategies in the Era of De-Globalization

## CONFERENCE PROGRAM



Strategic Management Society



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**Rodolphe Durand**  
*HEC Paris*



**Ha Hoang**  
*ESSEC Business  
School*



**Andrew Shipilov**  
*INSEAD*



Dear Conference Participants,

Bienvenue à Paris! We are excited to welcome you for the 38th Annual Conference of the Strategic Management Society, "Strategies in the Era of De-Globalization." Our Call for Proposals attracted a record number, with over 1,400 submissions. This is not only evidence of Paris' appeal as a city but also demonstrates the relevance of this year's theme within the field of strategic management. The discipline is joining the discourse on the topics that dominate our newspapers and public discussions – climate change and energy consumption, poverty and inequality, urbanization and digitalization. Business firms play an important role in finding answers to these real-world challenges, and our research can support them and other institutions in developing and implementing the right strategies. From our perspective, it is time for strategic management scholars to play an active role in solving already existing real-world issues that cause dramatic developments at the environmental, geographic, and socio-economic levels.

The Conference is fully packed with high-quality sessions that cover all topics in the field of strategic management. We would like to thank the nearly 1,000 reviewers for their time and effort in ensuring we have a high quality conference program. Additionally, we thank all Interest Group and Community leaders for their continuous efforts in putting together such an interesting program that starts with pre-conference workshops on Saturday and Interest Group and Community sessions on Sunday. We would also like to thank our Theme Track Chairs for their time and commitment to developing compelling sessions within the overarching topic of strategies in times of de-globalization.

The plenary program begins on Sunday afternoon with the Conference Opening. We are thrilled to welcome Emmanuel Faber, CEO of Danone and this year's recipient of the Lifetime Achievement Award. Emmanuel is a key actor in today's capitalism, who balances shareholder value and common good as a dual purpose for the company: for instance, Danone acquired a 12 billion dollar firm in the US and registered it as the largest Public Benefit Corporation in America. Subsequently, we will have a panel on "International Governance in Companies" that directly addresses the main conference theme.

On Monday morning, David Teece, this year's CK Prahalad Distinguished Scholar-Practitioner Award winner, will deliver a keynote speech. Following the award, three panel sessions are offered: "Sharing the Gains of Globalization", "Stakeholder Strategies", and "Digital Disruption" which feature panelists from companies, consulting, and international organizations.

On Tuesday, another rich program is offered to you. The morning will feature three panels asking if "Democracy is Under Threat?", how to "Internationalize Business Models" and how to approach the "Ecosystems in the Automotive Industry" in eras of strife between continents. Finally, in the afternoon, a panel will question the notion of "Space and Value Creation and Appropriation," while another select speaker, ATOS' CEO and former Economy Minister Thierry Breton will share his thoughts on "Helping Others in Digital Transformation."

In addition to all these academic highlights, you will hopefully enjoy our Monday evening event which will be held at the Hôtel Salomon de Rothschild, a historical mansion close to Champs Elysées, (la plus belle avenue du monde), where good food and music will entertain you.

Warm regards,

Rodolphe (Rudy) Durand  
Ha Hoang  
Andrew Shipilov





**Russell Coff**  
*University of  
Wisconsin-Madison*



**Nikolaus Pelka**  
*Strategic  
Management Society*

Dear Conference Participant:

We are pleased to welcome you to Paris for the 38th Annual Conference of the Strategic Management Society, where we will engage in conversation around the theme of “Strategies in the Era of De-Globalization.” The old rules we have come to accept no longer seem to apply. As populism and nationalism have increasingly taken hold, globalism no longer seems to have the promise it once had. Firms seek to navigate through these rough waters to find different sorts of strategic opportunities. This conference will shed light on these challenges and opportunities.

As a global city that is open for business, Paris too must traverse turbulent seas, but it remains a vibrant center of culture, education, and science. Paris hosts the headquarters of many global firms. You can also find medieval churches, Michelin-starred restaurants, an exciting start-up scene, and multiple well-known universities. Walking the streets of Paris, you can follow the footsteps of the characters from the novels of Dumas, Hugo or Hemingway. And of course, French wine, cheese, and pastries can seduce almost any food connoisseur!

Our four theme tracks and fourteen Interest Group and Community tracks include the best of the more than a thousand proposals that were submitted for presentation at the conference. In addition, our Conference Program Chairs, Rodolphe Durand, Ha Hoang, and Andrew Shipilov have organized a set of exciting plenary and showcase panel sessions. In conjunction with the conference, we are hosting 9 Extensions—one-day topical workshops being held on either Thursday or Friday before the conference or on Wednesday after the conference—in London, Amsterdam, Fontainebleau, Madrid, Paris, Montpellier, and Sophia, Bulgaria.

The primary goal of the SMS Annual Conference—indeed, the primary goal of all of the SMS’s varied activities—is to promote excellence in the study and practice of strategic management. We rely on the efforts of literally thousands of volunteers who review proposals, organize Interest Group and Community programs, serve on editorial boards, nominate and choose SMS award winners, and in countless other ways help enrich the conversation about strategy and strategic management. We are extremely grateful for all the people who make this conference, along with all the other SMS activities, possible.

The SMS is a growing and dynamic organization. We encourage you to stay in touch with all the latest developments by visiting our website, by attending the SMS Business Meeting on Sunday evening, and by reading the SMS Bulletins and Annual Report.

The annual conference always provides an opportunity to network with friends and colleagues, present and receive feedback on the latest research, and enjoy the ambiance as we watch this iconic city evolve before our eyes. We hope you have an enlightening and enjoyable conference, and please, experience all the delights Paris has to offer and be inspired by its supreme resilience!



**Russell Coff**  
President



**Nikolaus Pelka**  
Executive Director



## Officers



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*Rice University*

## A Professional Society for the Advancement of Strategic Management

The Strategic Management Society (SMS) is unique in bringing together the worlds of reflective practice and thoughtful scholarship. The Society focuses on the development and dissemination of insights on the strategic management process, as well as on fostering contacts and interchange around the world. The SMS is membership-based and was founded at an inaugural meeting in London in 1981. Today, it enjoys the support of over 3,000 members representing over 1,200 institutions and companies in over 80 countries. Our activities are made possible through the dedicated support from hundreds of individuals who take on a variety of responsibilities, volunteering their time and expertise.

### CONFERENCES

The SMS holds several conferences throughout the year, broadening and developing the field of Strategic Management. Each conference explores a unique and current theme in the field and brings together leading scholars and experts from around the world. These conferences allow the opportunity for both young and senior scholars to present their research and receive feedback to develop this area of academia, as well as their careers. We are also proud to host workshops along with our conferences to allow more in-depth discussion and research development for our scholars.

### RESEARCH FUNDING

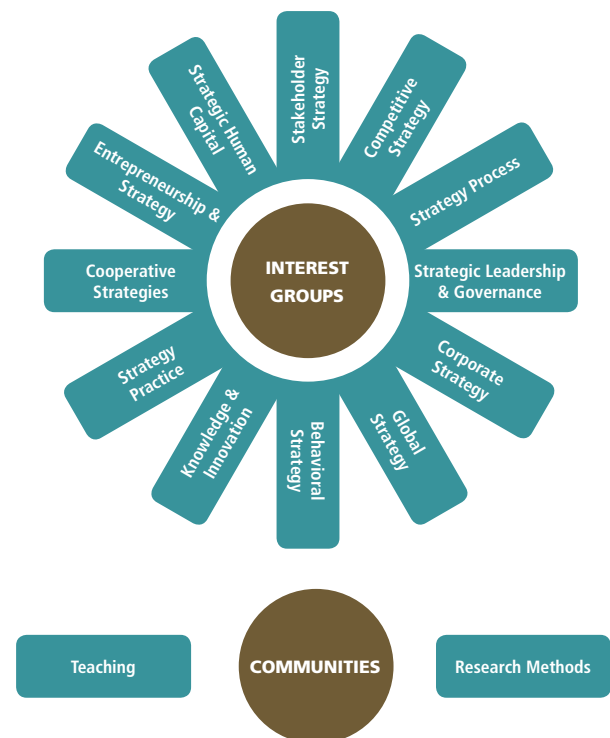
The SMS has developed a grant program, the Strategy Research Foundation (SRF), to cultivate and encourage scholars' research in the field of strategic management. These programs are motivated by a belief that this area of study will benefit from an entity devoted to supporting research that advances its concepts, theory, and practice. Recipients of these grants are selected through a competitive review process. The current grant programs target students in the midst of their dissertation research and scholars working within organizations to connect research and practice in a more fundamental way.

### SCHOLAR AWARDS AND HONORS

The SMS has developed several award programs to recognize and honor those who have made significant contributions to the theory and practice of strategic management. Through these programs, the SMS distinguishes emerging scholars in the field, business leaders that have demonstrated strategic leadership and innovation, articles published that have had a notable impact in the field, and authors of outstanding academic work submitted to a conference. Each of these awards is targeted toward people and research that move the study of strategic management forward.

### PUBLICATIONS

The SMS is proudly involved with Wiley in the publication of leading journals that have been vital tools for the benefit of researchers and practitioners in the field for more than three decades. The Strategic Management Journal (SMJ) has been the official journal of the Strategic Management Society since its inception in 1980. This Class A journal is consistently rated one of the top publications in the management field. We also offer two quarterly journals, the Strategic Entrepreneurship Journal (SEJ) and the Global Strategy Journal (GSJ). These growing journals promote the development and dissemination of advances in the field by maintaining the highest standards of intellectual thought combined with practical relevance.



**SMS INTEREST GROUPS AND COMMUNITIES (IG&C)** The primary purpose of the Interest Groups and Communities within the SMS is to act as a catalyst for building and disseminating new ideas in research, practice, and teaching around a set of core issues in strategic management. Each IG&C recognizes a major, individual stream of practice and research interest, and aims to serve the needs of members with special interests in this area of work. During each Annual Conference, the IG&Cs each foster a competitive track of research proposals, as well as several issue-specific sessions and workshops to cultivate new research in the field.



### 1981 LONDON

Global Strategic Management in the 1980's  
*Program Chairs:* Derek Channon & Hugh Parker

### 1982 MONTREAL

Exploring the Strategy-Making Process  
*Program Chairs:* Henry Mintzberg & Marianne Jelinek

### 1983 PARIS

Making Strategy Work  
*Program Chair:* Dominique Heau

### 1984 PHILADELPHIA

Targeting Strategies  
*Program Chair:* Peter Lorange

### 1985 BARCELONA

The Essence of Strategic Management  
*Program Chair:* Eduard Ballarín

### 1986 SINGAPORE

Cultures and Competitive Strategies  
*Program Chairs:* Peter FitzRoy & Gordon Redding

### 1987 BOSTON

Strategy: Prospect and Retrospect  
*Program Chairs:* Joseph Bower & Andrall Pearson

### 1988 AMSTERDAM

Winning Strategies for the 1990's  
*Program Chair:* Jan Eppink

### 1989 SAN FRANCISCO

Strategies for Innovation  
*Program Chair:* Robert Harris

### 1990 STOCKHOLM

Strategic Bridging: To Meet the Challenges of the Nineties  
*Program Chairs:* Leif Melin & Hans-Olof Hagén

### 1991 TORONTO

The Greening of Strategy – Sustaining Performance  
*Program Chairs:* David Hurst & Rod White

### 1992 LONDON

Strategic Renaissance: The Transformation of Economic Enterprise  
*Program Chair:* James Kelly

### 1993 CHICAGO

Integrating Strategy  
*Program Chair:* Edward Zajac

### 1994 PARIS

Strategy Styles: Management Systems, Types and Paradigms  
*Program Chair:* Michel Ghertman

### 1995 MEXICO CITY

Strategic Discovery: Opening New Worlds  
*Program Chair:* Raul Alvarado

### 1996 PHOENIX

Competing in the New Economy: Managing Out of Bounds  
*Program Chairs:* Gary Hamel & C K Prahalad

### 1997 BARCELONA

Managing in an Interconnected World  
*Program Chair:* Joan E Ricart

### 1998 ORLANDO

Tailoring Strategy – One Size Does Not Fit All  
*Program Chair:* Kevin Coyne

### 1999 BERLIN

Winning Strategies in a Deconstructing World  
*Program Chairs:* Dieter Heuskel & Rudi K F Bresser

### 2000 VANCOUVER

Strategy in the Entrepreneurial Millennium: New Winners, New Business Models, New Voices  
*Program Co-Chairs:* Raffi Amit, Charles E Lucier & Bertrand G Shelton

### 2001 SAN FRANCISCO

Reinventing Strategic Management – Old Truths and New Insights  
*Program Co-Chairs:* Richard Bettis & Derek Dean

### 2002 PARIS

Old Barriers Crumbling, New Barriers Rising  
*Program Co-Chairs:* René Abate & Karel Cool

### 2003 BALTIMORE

Intersections: Strategy Across Conventional Boundaries  
*Program Co-Chairs:* Rita Gunther McGrath & Bertrand G Shelton

### 2004 SAN JUAN

Strategic Balance: Driving Innovation And Maintaining Performance  
*Program Co-Chairs:* Patricia Gorman Clifford & Steven Floyd

### 2005 ORLANDO

Strategic Management: Achievements And Opportunities  
*Program Co-Chairs:* Irene Duhaime & Carl W Stern  
*Associate Chair:* Javier Gimeno

### 2006 VIENNA

Strategy and Governance in a World of Institutional Change  
*Program Co-Chairs:* Javier Gimeno & Jens Schaedler  
*Associate Chair:* Peter Ring

### 2007 SAN DIEGO

The Challenges of Non-Market Influences on Market Strategies  
*Program Chair:* Peter Ring  
*Associate Chair:* Thomas Mellewigt

### 2008 COLOGNE

How Does Knowledge Matter?  
*Program Chairs:* Thomas Mellewigt & Bolko von Oetinger

### 2009 WASHINGTON DC

Strategies in an Uncertain World  
*Program Chairs:* Marjorie Lyles & Jeffrey Reuer

### 2010 ROME

Strategic Management at the Crossroads  
*Program Chairs:* Giovanni Battista Dagnino, Rosario Faraci, Gianmario Verona, & Maurizio Zollo

### 2011 MIAMI

Strategies for a Multi-Polar World: National Institutions And Global Competition  
*Program Chair:* Jose de la Torre  
*Associate Program Chair:* Aya Chacar

### 2012 PRAGUE

Strategy in Transition  
*Program Co-Chairs:* Björn Ambos, Igor Filatotchev, Ondrej Landa

### 2013 ATLANTA

Strategy and Sustainability  
*Program Co-Chairs:* Pamela Barr & Frank T. Rothaermel

### 2014 MADRID

Strategies in a World of Networks  
*Program Chair:* Africa Ariño  
*Associate Program Chairs:* Alejandro Beltran and Pascual Berrone

### 2015 DENVER

Strategy Expanding: Making Sense of Shifting Field and Firm Boundaries  
*Program Chairs:* Sharon Alvarez, Donald Bergh, & Sharon Matusik

### 2016 BERLIN

Strategies the Move the World  
*Program Chairs:* Dodo zu Knyphausen-Aufsess, Michael Nippa, Ulrich Pidun, & Anja Tuschke

### 2017 HOUSTON

Unconventional Strategies for Emerging Complexity and Intensifying Diversity  
*Program Chairs:* Laura B. Cardinal, C. Chet Miller, & Yan Anthea Zhang



## PAST SPECIAL CONFERENCES

### 2007 SHANGHAI, CHINA

Successful Strategies in Chinese Markets (Chinese Firms and Foreign MNCs) and International Markets (Chinese Firms)

### 2007 CATANIA, ITALY

New Frontiers in Entrepreneurship: Strategy, Governance and Evolution

### 2008 HYDERABAD, INDIA

Emerging India: Strategic Innovation in a Flat World

### 2010 LAPLAND, FINLAND

Intersections of Strategy Processes and Strategy Practices

### 2011 RIO DE JANEIRO, BRAZIL

Latin America's Burgeoning Strategic Role in Global Development

### 2011 SAN DIEGO, USA

CK Prahalad: Reaching Over Boundaries and Expanding Possibilities

### 2012 SINGAPORE

Globalisation Of Innovation Strategies: Novel Moves for a Global Game

### 2012 GUANGZHOU, CHINA

Competing and Cooperating in and for China

### 2013 LAKE GENEVA, SWITZERLAND

Strategizing Practices from the Outliers: Enabling "Big Bang" Innovations

### 2013 GLASGOW, SCOTLAND

Strategy in Complex Settings

### 2013 MOHALI, INDIA

Strategic Leadership: An Emerging Market Perspective

### 2014 TEL AVIV, ISRAEL

Startup and Restart Strategies

### 2014 COPENHAGEN, DENMARK

Micro-Foundations for Strategic Management Research: Embracing Individuals

### 2014 SYDNEY, AUSTRALIA

Strategic Management in the Asian Century: Dealing with Dynamism, Diversity and Development

### 2015 SANTIAGO, CHILE

From Local Voids to Local Goods: Can Institutions Promote Competitive Advantage?

### 2015 ST. GALLEN, SWITZERLAND

Rethinking Corporate Headquarters: Innovative Approaches for Managing the Multi-Divisional Firm

### 2016 ROME, ITALY

Strategy Challenges in the 21st Century: Innovation, Entrepreneurship and Coopetition

### 2016 HONG KONG

Contextualizing Strategic Management in Asia: Institutions, Innovation and Internationalization

### 2017 MILAN, ITALY

Strategic Human Capital, Management Practices and Performance

### 2017 BANFF, CANADA

Transforming Entrepreneurial Thinking into Dynamic Capabilities

### 2017 SAN JOSE, COSTA RICA

Collaborative Strategies: New Thinking about Alliances, Mergers, and Acquisitions

### 2018 SAO PAULO, BRAZIL

Strategizing New Growth Avenues in an Evolving Global Context

### 2018 OSLO, NORWAY

Sharing Strategies for the Connected World

**Interested in organizing a special conference?** We welcome ideas and expressions of interest from members who want to be involved in creating a special event that focuses on a specific topical area. These conferences are typically co-organized between the SMS, an Interest Group, and a group of local individuals or institutions. Contact us at [sms@strategicmanagement.net](mailto:sms@strategicmanagement.net) for additional information.

**SMS 39th Annual Conference**  
October 19-22, 2019



**Minneapolis**



# Save the Date

**"Out of the Spotlight"  
Strategies**

October 19-22, 2019

**PROGRAM CHAIRS**

**Gregory R. Page**  
Former CEO, Cargill, Inc.

**J Myles Shaver**  
University of Minnesota

**LEARN MORE AT**  
[minneapolis.strategicmanagement.net](http://minneapolis.strategicmanagement.net)



Award recipients will be recognized during the Tuesday Awards Luncheon. Learn more about the award programs and view past recipients by visiting [awards.strategicmanagement.net](http://awards.strategicmanagement.net).

## ◆ CK PRAHALAD DISTINGUISHED SCHOLAR-PRACTITIONER AWARD

To honor the legacy of CK Prahalad this award was introduced in 2011. The award recognizes excellence in the application of theory and research in practice. This includes, but is not limited to, contributions to knowledge through the extraction of learning from practice; authored scholarly works that have substantially affected the practice of management; and the integration of research and practice. A scholar-practitioner who has used applied learning to influence how theory and research guide practice is honored with this award, with special attention given to individuals whose contributions have shaped the understanding of global strategic leadership.

### 2018 Recipient

David Teece, *University of California, Berkeley*

CK Prahalad Distinguished Scholar-Practitioner Award Session

MONDAY, SEPTEMBER 24

SESSION 1157 | 11:15 – 11:45

## \* SMS EMERGING SCHOLAR AWARD

Inaugurated in 2007, this award is presented annually to a relatively young or new scholar who displays exemplary scholarship in research, education and related academic activities that seek to improve current strategic management practice. The criteria for this award recognizes a portfolio of work that suggests the candidate will make fundamental contributions to the way we think about knowledge essential to achieving durable organizational success. Recipients of this award are members of the SMS and are under the age of 40 with at least 5 years since his/her PhD, and have a record of publications and professional activity that has demonstrated their work to be significant within the strategic management field.

### 2018 Recipient

Exequiel Hernandez, *University of Pennsylvania*

SMS Emerging Scholar Award Session

MONDAY, SEPTEMBER 24

SESSION 1154 | 14:00-15:15

## SMS SERVICE AWARD

The award is conferred in recognition of significant and enduring service that made an outstanding and distinguished contribution to the Strategic Management Society and its members. The recipient of this award has displayed exemplary dedication and is an asset to the organization.

### 2018 Recipient

Steven Floyd, *University of Massachusetts, Amherst*

## ☀ SMS LIFETIME ACHIEVEMENT AWARD

The SMS presents the Lifetime Achievement Award to honor the highest level of achievement in strategic management by a business leader. This award is not annual but is only presented when an appropriate honoree is identified. The recipient of this award has demonstrated sustained strategic leadership and innovation that significantly altered strategy practice and is recognized as influencing the scholarly debate in leading academic institutions.

### 2018 Recipient

Emmanuel Faber, *Danone*

Conference Opening and Lifetime Achievement Award

SUNDAY, SEPTEMBER 23

SESSION 1156 | 13:45-14:30

## ✿ SMS EDUCATIONAL IMPACT AWARD

The Educational Impact Award recognizes excellence in contributing to the teaching mission in Strategic Management. It will be given annually to an individual who has made an exemplary contribution to quality and innovation in the teaching of strategic management, either through their teaching and mentoring activities or by empowering other teachers with innovations and high-quality teaching materials.

### 2018 Recipient

Anita McGahan, *University of Toronto*

SMS Educational Impact Award Session

MONDAY, SEPTEMBER 24

SESSION 1158 | 08:00-09:15

## FRIEND OF THE SMS



To distinguish those who have contributed over the years and have become pillars of our Society, the recognition as Friend of the SMS was introduced to the conference in 2006. Conference attendees recognized have either been SMS members for 20 or more years, attended 10 or more annual conferences, served as a program chair of a past conference, served as a board member of the Society, or have been elected to the Fellows of the SMS. As a sign of recognition and appreciation, a golden SMS logo is added to the conference name badges of these individuals. The names of the Friends of the SMS are also displayed during the program intermissions on the screens of the plenary room at the conference.

Award recipients will be recognized during the Tuesday Awards Luncheon. Learn more about the award programs and view past recipients by visiting [awards.strategicmanagement.net](http://awards.strategicmanagement.net).

## DAN AND MARY LOU SCHENDEL BEST PAPER PRIZE



In 1993, thirteen years after the Strategic Management Journal (SMJ) was launched, an annual best paper prize was established by co-sponsors Wiley and the Strategic Management Society to honor substantial work published in the SMJ. The award was renamed to its current title in 2007, honoring the contributions of Dan and Mary Lou Schendel to the SMJ. The prize is for a paper published five or more years prior to the award year. This delay allows time for the impact of papers to be assessed in terms of citations and influence in the field. Once eligible, a paper remains eligible until selected as the best paper. Continued eligibility allows recognition to be made for those insights and findings that occur before their time and only become widely recognized as significant after other work is published.

**2018 Recipient**  
**How Much Does Industry Matter, Really?**  
Anita McGahan, *University of Toronto*  
Michael Porter, *Harvard University*

## SEJ BEST PAPER PRIZE



In 2014, seven years after the Strategic Entrepreneurship Journal (SEJ) was launched, an annual best paper prize was established by co-sponsors Wiley and the Strategic Management Society to honor substantial work published in the SEJ. The prize is for a paper published five or more years prior to the award year. This delay allows time for the impact of a paper to be assessed in terms of citations and influence in the field. Once eligible, a paper remains eligible until selected as the best paper. Continued eligibility allows recognition to be made for those insights and findings that sometimes occur before their time and only become widely recognized as significant after other work is published.

**2018 Recipient**  
**Opportunity Discovery, Entrepreneurial Action, and Economic Organization**  
Peter Klein, *Baylor University*

## GSJ BEST PAPER PRIZE



In 2017, the first annual Global Strategy Journal (GSJ) Best Paper Prize from the Strategic Management Society was presented. The award honors a paper published five years or more ago in the GSJ that has had a significant impact on our understanding of global strategy. This delay allows time for the impact of papers to be assessed in terms of citations and influence on teaching, research, and practice. Once eligible, a paper remains eligible until selected as the best paper. Continued eligibility allows recognition to be made for those insights and findings that occur before their time and only become widely recognized as significant after other work is published.

**2018 Recipient**  
**Emerging Market Multinationals and the Theory of the Multinational Enterprise**  
Jean-François Hennart, *Tilburg University*



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## ★ SMS BEST CONFERENCE PAPER PRIZE

The SMS first presented this prize in 1998 to honor the best paper presented at the SMS Annual Conference. Nominated authors are invited to submit a full version of their submitted proposal. The papers are reviewed, and 10 finalists are named prior to the conference. Decisions are mainly based on the soundness of the conceptual development, the originality, and application of the appropriate methodology.

The following 10 papers have been selected as finalists out of 53 nominated and submitted papers for this award. You will find these papers indicated throughout the program, and the Best Paper, along with four honorable mentions will be announced on Tuesday.

### MONDAY

#### TRACK I | SESSION 1027 | 08:00–09:15

**Knowledge Spill-Ins as Double-Edged Sword: How Knowledge Spill-Ins by Originating Firms Affect Entrepreneurial Recipients**

Sangchan Park, *KAIST*

Sang-Joon Kim, *Ewha Womans University*

Seungho Choi, *Ewha Womans University*

### MONDAY

#### TRACK P | SESSION 1030 | 08:00–09:15

**Iterative Coordination in Organizational Search**

Sourobh Ghosh, *Harvard University*

Andy Wu, *Harvard University*

### MONDAY

#### TRACK N | SESSION 944 | 15:30–16:45

**Kindred Spirits: The Influence of Cognitive Frame Similarity on Contingency Planning in Strategic Alliances**

Marvin Hanisch, *University of Passau*

Carolin Haeussler, *University of Passau*

Andreas Koenig, *University of Passau*

Theresa Cho, *Seoul National University*

### MONDAY

#### TRACK A | SESSION 1015 | 17:15–18:30

**“Now Serving Freedom Fries”: The Effect of Stigma on the Political Behavior of Multinationals**

Rodrigo Bandeira de Mello, *Merrimack College*

Arnaldo Mauerberg Junior, *FGV-EAESP*

Julien Jourdan, *Paris-Dauphine University*

### TUESDAY

#### TRACK A/M | SESSION 1013 | 08:00–09:15

**Frenemies: Target Selection in Cooperative Private Politics**

Kate Odziemkowska, *University of Pennsylvania*

### TUESDAY

#### TRACK M | SESSION 1042 | 08:00–09:15

**Reputation and the Financial Returns to the Corporate Provision of Public Goods**

Luis Ballesteros, *George Washington University*

Tyler Wry, *University of Pennsylvania*

Michael Useem, *University of Pennsylvania*

### TUESDAY

#### TRACK K | SESSION 1092 | 11:00–12:15

**Building Transformational Potential: Evidence from a Field Experiment with Young Entrepreneurs in Zimbabwe**

Natalie Carlson, *Columbia University*

### TUESDAY

#### TRACK E | SESSION 1134 | 16:00–17:15

**Demand Agglomeration Economies and Firm Heterogeneity: Bankruptcy of HHGregg Retailer**

Siddharth Sharma, *Indian School of Business*

Wilbur Chung, *University of Maryland*

Soomin Cho, *University of Maryland*

### TUESDAY

#### TRACK E | SESSION 1134 | 16:00–17:15

**Measuring the Temporal Dynamics of Industry Clusters**

Min Jung Kim, *University of Minnesota*

J Myles Shaver, *University of Minnesota*

Russell Funk, *University of Minnesota*

### TUESDAY

#### TRACK M | SESSION 1046 | 17:30–18:45

**When it Might Profit to be a Non-Profit Organization: Using a Natural Experiment in India**

Kamini Gupta, *King's College London*



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## ✿ SMS BEST CONFERENCE PhD PAPER PRIZE

The SMS, with initial support from the consulting firm Booz Allen Hamilton, created this award in 2000 in recognition of a PhD candidate's presentation of an outstanding paper at the SMS Annual Conference. The award is presented to papers where the primary authors of an accepted proposal for the conference are doctoral students. All qualifying authors were invited to submit a full version of their paper for consideration by a review committee.

The following ten papers have been selected as finalists from 68 eligible and submitted papers for this award. You will find these papers indicated throughout the program, and the five award recipients will be announced on Tuesday.

### SUNDAY

TRACK M | SESSION 1040 | 16:00-17:15

**Carrot or Stick? Strategic Corporate Governance and the Incentivization of Attention to ESG Issues**

Kevin Chuah, *London Business School*

### MONDAY

TRACK M | SESSION 1047 | 08:00-09:15

**Short-selling and Firm Performance on Corporate Social Responsibility - Evidence from a Natural Experiment**

Vanya Rusinova, *Copenhagen Business School*

Georg Wernicke, *HEC Paris*

### MONDAY

TRACK P | SESSION 1030 | 08:00-09:15

**Iterative Coordination in Organizational Search**

Sourobh Ghosh, *Harvard University*

Andy Wu, *Harvard University*

### TUESDAY

TRACK I | SESSION 1019 | 11:00-12:15

**The Dark Side of Brokerage in Innovation: Quasi-experimental Evidence Using Broker Inventors' Sudden Death**

A-Sung Hong, *IESE Business School*

### TUESDAY

TRACK K | SESSION 1092 | 11:00-12:15

**How Socialization into Cooperative Interaction Frames Leads to Social Capital: Field-Experiment With Micro-Entrepreneurs In Togo**

Stefan Dimitriadis, *Harvard University*

### TUESDAY

TRACK K | SESSION 1096 | 11:00-12:15

**Startup Innovation and Corporate Venture Capital**

Sarath Balachandran, *University of Pennsylvania*

### TUESDAY

TRACK K | SESSION 1096 | 11:00-12:15

**How Competitive Tension between Spinouts and Parent Firms Affects Other Industry Incumbents' Venture Investments**

Joonhyung Bae, *Purdue University*

Joonmahn Lee, *Korea University*

### TUESDAY

TRACK P | SESSION 1032 | 11:00-12:15

**Under Your Spell: How IPOs' Linguistic Congruence to Investors Mitigates the Effect of Categorical Ambiguity**

Paul Gouvard, *HEC Paris*

### TUESDAY

TRACK F | SESSION 1067 | 17:30-18:45

**Going Private as a Solution to Public Market Disagreement: Information Asymmetry, R&D Investments, and Privatizations**

Rosa Kim, *University of Minnesota*

### TUESDAY

TRACK I | SESSION 1057 | 17:30-18:45

**Mind the Gaps: How Organizational Design and Portfolio Composition Shape the Sourcing of External Inventions**

John Eklund, *University of Pennsylvania*

Rahul Kapoor, *University of Pennsylvania*



## Name Badges

Attendees, guests, and exhibitors must wear name badges at all times. Your name badge will be your ticket to luncheons and evening events. Access to these functions will be denied if you do not have your name badge.

## Recommended Dress

Business casual attire is recommended for all conference sessions and events.

## Conference Meals

All Conference Coffee Breaks will be hosted in Foyer Scene located on Level Scene (Ground Level). All Conference Lunches will be hosted in the Galerie and Loft A-F (Level 3).

## Handouts and Presentations

Upload and download functionality is available on the conference website, and presenters were invited to make their handouts and presentations available on the website. If presenters have accepted this invitation, you will find a download button next to the presentation on the particular session page of the conference website.

## No Smoking Policy

In consideration of all attendees, we request that there be no smoking during all sessions and meal functions. Please note that the entire hotel is non-smoking. Smoking is only allowed outside the hotel.

## Monday Evening Event

Join us for an evening at the Hôtel Salomon de Rothschild! Located in the heart of the golden triangle, just a short distance away from the Champs-Élysées, this mansion offers a trip back in time to the neoclassical and authentic French 'Art de Vivre' architecture. We invite conference attendees to explore the gardens and enjoy food, drinks, and entertainment at this exceptional private mansion. The dress for this event is business casual and conference name badges are required for transportation and entrance into the event. Please meet in Foyer Scene (Ground Level) at 18:30. Buses will depart every 10 minutes.

## Conference Venue

All of the conference sessions will be held at the Paris Marriott Rive Gauche Hotel & Conference Center.

Paris Marriott Rive Gauche Hotel & Conference Center  
17 Boulevard Saint Jacques  
Paris 75014  
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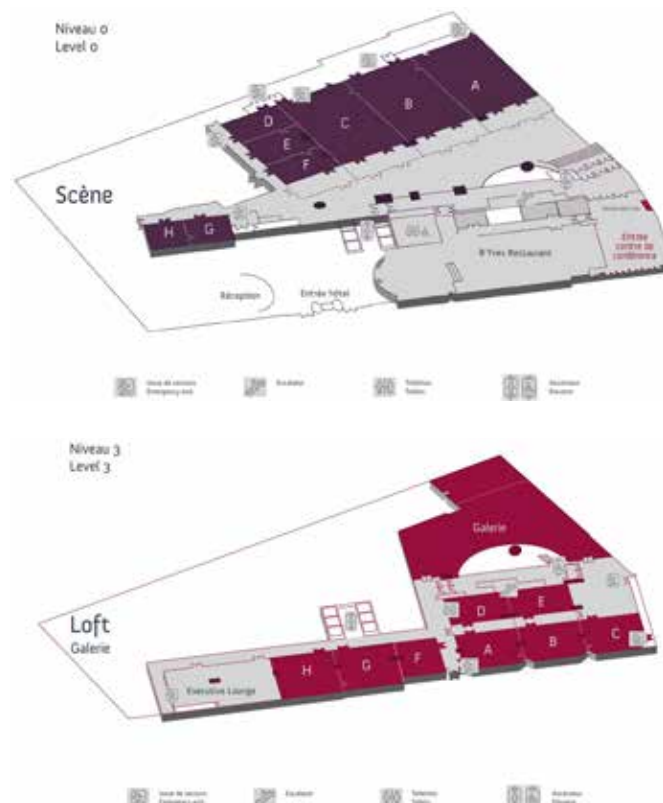
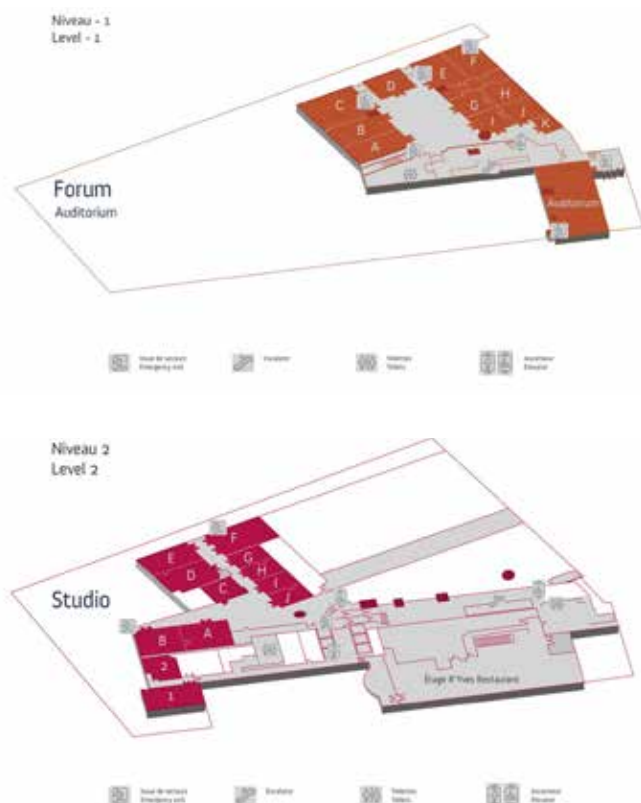
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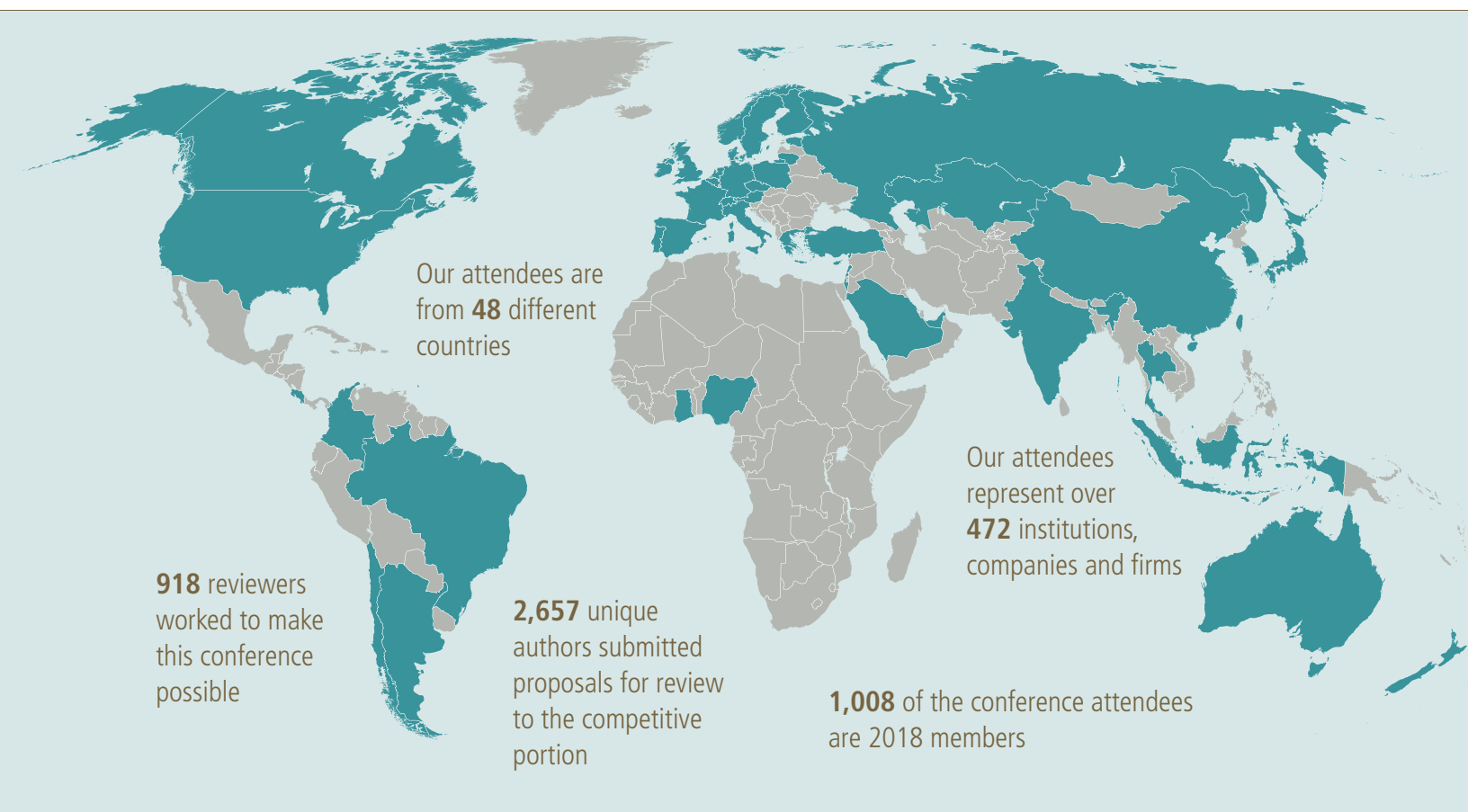
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# REGISTERED ATTENDEES DISTRIBUTION

The countries printed in blue indicate the geographical distribution of this year's conference attendees. All data as of August 15, 2018.



## CONFERENCE STATISTICS

### Total number of competitive sessions

Paper	111
Common Ground	44
Panel	11

### Total number of non-competitive sessions

Interest Group	36
Plenaries	8
Keynote	3
Workshops	14

## ATTENDEES BY REGION

	Conference Attendees By Region		Invited Authors By Region	
North America	45%	549	44%	669
Europe	42%	506	41%	616
Asia	10%	117	11%	168
Australia/New Zealand	2%	22	3%	39
Latin America	>1%	8	1%	14
Middle East	>1%	9	>1%	11
Africa	>1%	2	>1%	2
		<b>1,213</b>		<b>1,519</b>



# 2018 CONFERENCE AND REVIEW COMMITTEES

The individuals listed below worked with this year's Program Chairs to select the proposals and compose the sessions for the different conference tracks, pre-conference workshops, and awards. We recognize and appreciate the tremendous amount of time and effort spent making this a successful event.

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The Executive Discoveries Series (EDS) intends to create a meaningful and impactful conversation between academics and business practitioners and consultants. The EDS Track consists of paper and common ground sessions as well as panel discussions that feature cutting-edge research coupled with provocative ideas that challenge conventional managerial wisdom and provide exposure for executives to new academic insights that can help advance their strategic insights and skills. For the Paris SMS Annual Conference, after close collaboration with the leadership teams of the SMS Interest Groups, we have identified sessions that cover a range of current managerial challenges. Below you will find an easy-to-navigate, virtual EDS Track that runs through the conference program. These sessions are grouped into seven themes.

## THEMES OF THE EDS

## THEME 1: ECOSYSTEMS AND PLATFORMS

The first theme of the EDS track focuses on ecosystems and platform-based business models. Topics in this theme range from how (new) ecosystems and platforms are built to which capabilities different actors need—especially incumbents and complementors—and cover the most appropriate actions for executives to respond to disruptive technologies, become ecosystem leaders, orchestrate digital ecosystems, capitalize on platforms, and hedge their strategies by getting involved in competing platforms. Empirical evidence comes from a wide range of sectors including financial services, software, smart home, payment systems, video game, sharing economy, and automotive suppliers, and from firms such as Cisco, eBay, and Google.

**SESSION 922 | SUNDAY, SEPTEMBER 23 | 09:30-10:45**

**Research on Technological Discontinuities: Current State & Future Directions**

**SESSION 921 | SUNDAY, SEPTEMBER 23 | 11:15-12:30**

**New Platform Creation in Digital Ecosystems: Processes, Dilemmas, and Implications on Corporate Strategy**

**SESSION 988 | MONDAY, SEPTEMBER 24 | 08:00-09:15**

**Platforms**

**SESSION 903 | MONDAY, SEPTEMBER 24 | 14:00-15:15**

**Risk Dynamics in Digital Ecosystems: In Search of New Principles for Governance and Management**

**SESSION 899 | TUESDAY, SEPTEMBER 25 | 08:00-09:15**

**Patterns of Digital Disruption: Insights from the Financial Sector**

**SESSION 896 | TUESDAY, SEPTEMBER 25 | 17:30-18:45**

**Building (New) Ecosystems**

**SESSION 1052 | TUESDAY, SEPTEMBER 25 | 17:30-18:45**

**Platforms & Ecosystems Strategies**

## THEME 2: CORPORATE AND BUSINESS MODEL INNOVATION

The second EDS theme covers sessions broadly related to the topic of innovation. A first focus lies on a better understanding and classification of inventors, breakthrough discoveries, and the role of crowds in evaluating innovative ideas. A second focus lies on international innovation and covers topics from cross-border innovation of both small and medium-sized enterprises (SMEs) and large multinational companies (MNCs), MNC innovation activities in emerging markets, the role of social norms, as well as the innovation of emerging market companies and how Western MNCs could respond. A final focus lies on business model innovation (BMI) and covers topics from a better conceptualization of BMI and its underlying sub-processes to a study of attention structure changes during BMI processes. The empirical evidence in this second theme comes from diverse settings, ranging from Dutch design firms to Swiss SMEs, and from sectors such as wireless routers, bionic prosthetics, mobile dating applications, to hydraulic fracturing and wineries.

**SESSION 1017 | SUNDAY, SEPTEMBER 23 | 16:00-17:15**

**Breakthrough Innovations and Wicked Problems**

**SESSION 898 | MONDAY, SEPTEMBER 24 | 09:30-10:45**

**Innovation in Emerging Markets and the Western MNC Response**

**SESSION 1122 | MONDAY, SEPTEMBER 24 | 15:30-16:45**

**Headquarter-subsidiary Relationships and Interactions**

**SESSION 1037 | MONDAY, SEPTEMBER 24 | 17:15-18:30**

**Organizational Learning in the Innovation and Commercialization Process**

**SESSION 1053 | TUESDAY, SEPTEMBER 25 | 08:00-09:15**

**Business Model Innovation**

**SESSION 893 | TUESDAY, SEPTEMBER 25 | 16:00-17:15**

**Business Models in the Sharing Economy**

**SESSION 1058 | TUESDAY, SEPTEMBER 25 | 16:00-17:15**

**Market Effects on Innovation**

**SESSION 1132 | TUESDAY, SEPTEMBER 25 | 16:00-17:15**

**Cross-Border Innovation and Entrepreneurship**



### THEME 3: MANAGING STAKEHOLDER RELATIONSHIPS

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The third EDS theme focuses on how to manage key stakeholder relationships. Topics covered in this theme include the emergence of distrust and conflict among stakeholders, legitimacy and reputation, lobbying activities, public relations, global stakeholders, and firms' responses to stakeholder attacks.

**SESSION 894 | SUNDAY, SEPTEMBER 23 | 16:00-17:15**

**State Ownership of Companies in International Context**

**SESSION 1012 | MONDAY, SEPTEMBER 24 | 08:00-09:15**

**Caught in the Geopolitical Storm**

**SESSION 1048 | MONDAY, SEPTEMBER 24 | 14:00-15:15**

**Managing stakeholder relationships**

**SESSION 1125 | MONDAY, SEPTEMBER 24 | 14:00-15:15**

**Political Risks, Institutional Quality and Global Strategy**

**SESSION 1039 | MONDAY, SEPTEMBER 24 | 15:30-16:45**

**Crises, Scandals, and Negative Events**

**SESSION 900 | MONDAY, SEPTEMBER 24 | 17:15-18:30**

**Purpose Driven Strategizing: Competing Through Sustainability Oriented Values**

**SESSION 1013 | TUESDAY, SEPTEMBER 25 | 08:00-09:15**

**It's So Hard to Get Along**

**SESSION 1042 | TUESDAY, SEPTEMBER 25 | 08:00-09:15**

**Status, Reputation, and Legitimacy**

**SESSION 1014 | TUESDAY, SEPTEMBER 25 | 17:30-18:45**

**Unconventional Solutions to Resolving Stakeholder Conflict**

### THEME 4: STRATEGIC HUMAN CAPITAL: TALENT MANAGEMENT, CEOS, AND BOARDS OF DIRECTORS

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This EDS theme studies the human capital of employees and top executives responsible for making strategic decisions in organizations. One focus within this theme lies on the strategic management of the pipeline for talent within firms. A second focus lies on CEOs and develops insights into newly appointed CEOs' compensation packages, the consequences of CEO humility, the effects of external CEO appointments on firm performance, and the impact of the political regime on CEO succession. A third focus lies on directors, more specifically on how directors are selected, the performance implications of directors sitting on multiple corporate boards, and on the determinants of directors' willingness to dissent.

**SESSION 971 | TUESDAY, SEPTEMBER 25 | 16:00-17:15**

**Director Effectiveness in International Markets**

**SESSION 975 | TUESDAY, SEPTEMBER 25 | 16:00-17:15**

**Managing Human Capital: Investment and Deployment**

**SESSION 973 | TUESDAY, SEPTEMBER 25 | 17:30-18:45**

**Strategic Talent Sourcing**

**SESSION 1001 | TUESDAY, SEPTEMBER 25 | 17:30-18:45**

**Understanding Newly Appointed CEOs**

### THEME 5: BUSINESS-LEVEL AND CORPORATE STRATEGY

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This EDS theme centers on business-level and corporate-level strategy questions. Sessions on the former examine competitive strategies, such as imitation, first-mover advantages, responses to price wars, and the effects of private versus state ownership on competitive behavior and firm performance. Session focused on the latter examine the drivers of M&A performance, with an emphasis on the deal-making process, investments in due diligence activities, and different types of synergies.

**SESSION 987 | MONDAY, SEPTEMBER 24 | 15:30-16:45**

**Competition and Growth**

**SESSION 1076 | MONDAY, SEPTEMBER 24 | 15:30-16:45**

**What Drives Performance?**

**SESSION 1074 | MONDAY, SEPTEMBER 24 | 17:15-18:30**

**Synergy and M&A**

**SESSION 986 | TUESDAY, SEPTEMBER 25 | 08:00-09:15**

**Imitation**



**THEME 6: ENTREPRENEURSHIP AND STRATEGY**

This EDS theme explores the linkages between entrepreneurship and strategy. The sessions that are part of this theme focus on digital entrepreneurship, new venture team homogeneity, the timing of new venture formation, and (failed) experimentation. In addition, sessions discuss linkages between startups and large, established organizations as well as the funding by incumbent firms and their impact on entrepreneurial orientation and innovative activities. The empirical context is mainly US-based and healthcare-focused.

**SESSION 938 | SUNDAY, SEPTEMBER 23 | 09:30-10:45**  
**Entrepreneurship and Corporate Political Strategy**

**SESSION 1087 | SUNDAY, SEPTEMBER 23 | 16:00-17:15**  
**Digital Entrepreneurship**

**SESSION 1088 | TUESDAY, SEPTEMBER 25 | 08:00-09:15**  
**New Venture Teams**

**SESSION 1098 | TUESDAY, SEPTEMBER 25 | 08:00-09:15**  
**Corporate Entrepreneurship**

**SESSION 1096 | TUESDAY, SEPTEMBER 25 | 11:00-12:15**  
**CVC funding and New Venture Behavior**

**SESSION 1093 | TUESDAY, SEPTEMBER 25 | 16:00-17:15**  
**Linkages between Start-ups & Large Firms**

**THEME 7: STRATEGIC DECISION-MAKING PROCESSES**

Studies that are part of this last EDS theme examine strategic decision makers' attention focus, risk perceptions, and search strategies as well as the consequences of culture, tradition, and opening up the strategic decision-making process to participants from outside the executive suite or even from outside the firm.

**SESSION 1104 | SUNDAY, SEPTEMBER 23 | 16:00-17:15**  
**Collaborative Strategy-Making: Participation, Inclusion and Influencing**

**SESSION 1030 | MONDAY, SEPTEMBER 24 | 08:00-09:15**  
**Search and Coordination**

**SESSION 1059 | MONDAY, SEPTEMBER 24 | 17:15-18:30**  
**Strategic Decision-Making Processes**

**SESSION 1105 | TUESDAY, SEPTEMBER 25 | 11:00-12:15**  
**Contradictions and Ambiguities in the Practice of Strategy**



## Tracks

### Conference Theme Tracks

- A — Political and Stakeholder Strategies for the Era of De-Globalization**
- B — The Promise of Digital to Address Global Challenges**
- C — International Governance in Companies**
- D — Sharing the Gains of Globalization**

### Interest Group and Community Tracks

- E — Competitive Strategy**
- F — Corporate Strategy**
- G — Global Strategy**
- H — Strategy Process**
- I — Knowledge and Innovation**
- J — Strategy Practice**
- K — Entrepreneurship and Strategy**
- L — Strategic Human Capital**
- M — Stakeholder Strategy**
- N — Cooperative Strategies**
- O — Strategic Leadership and Governance**
- P — Behavioral Strategy**
- R — Research Methods Community**
- T — Teaching Community**

## Session Formats

It is the primary objective of the SMS to provide opportunities for discussion and development of the latest research ideas in strategy. This is consistent with the practice of evaluating proposals rather than finished papers. In this spirit of discussion and development we work with two session formats for proposal presentations:

### Common Ground Sessions

Common Ground sessions provide an improved opportunity for authors and audience members to interact more directly around a number of proposals in a related theme.

- For the Paris Conference, a total of 44 Common Ground sessions are planned; each will be 75 minutes.
- A Common Ground session consists of at least one author of the 5-6 proposals, a facilitator, and audience members. The facilitator is not an author of any of the proposals.
- The Common Ground sessions will be chaired and facilitated by known scholars in the session's topic. It is the responsibility of these facilitators to allocate time among participants and lead a productive discussion.
- To ensure sufficient time for interaction, the facilitator will ask for an initial 3-4 minute summary presentation of a presenter's study, focusing only on the main motivations and findings of the research. We want the time to be structured as a conversation (i.e., short interventions, highly interactive), not as a sequence of monologues.
- Projectors or PowerPoint presentations will not be used. Flipcharts will be available in each room to facilitate visual discussion. Authors are encouraged to make a one-page summary available for download or bring copies to the session.

### Paper Sessions

Paper Sessions provide an opportunity for authors to present their research in a comprehensive fashion aided by multimedia equipment, followed by interaction between authors and the audience on a number of papers in a related theme.

- For the Paris Conference, a total of 111 Paper sessions are planned; each will be 75 minutes.
- A Paper session consists of at least one author of 3-4 proposals, a session chair, and audience members. Often times, the session chair will be one of the presenting authors.
- Each presenting author will have 12-15 minutes for their presentation, depending on the number of presentations within the session. The remaining time will be used for discussion.
- Each session room will have an LCD projector available.
- Presenters were invited to upload their presentation handout and make it available for download to other conference attendees.

## SATURDAY, SEPTEMBER 22, 2018

09:00 – 16:00	Pre-Conference Workshops
16:30 – 18:00	Meet the SMS Editors
19:00 – 21:00	Welcome Reception

## SUNDAY, SEPTEMBER 23, 2018

08:00 – 09:15	Interest Group & Community Sessions
09:30 – 10:45	Interest Group & Community Sessions
10:45 – 11:15	Coffee Break
11:15 – 12:30	Interest Group & Community Sessions
12:30 – 13:30	Lunch-Sponsored by INSEAD
13:45 – 14:30	Conference Opening   Lifetime Achievement Award
14:30 – 15:30	Plenary Session
15:30 – 16:00	Coffee Break
16:00 – 17:15	Paper/Common Ground/Panel Sessions
17:30 – 18:30	Interest Group & Community Business Meetings
18:45 – 19:30	SMS Business Meeting

## MONDAY, SEPTEMBER 24, 2018

08:00 – 09:15	Paper/Common Ground/Panel Sessions
09:30 – 10:45	Paper/Common Ground/Panel Sessions
10:45 – 11:15	Coffee Break & SRF Presentations
11:15 – 11:45	CK Prahalad Distinguished Scholar-Practitioner Award
11:45 – 12:45	Plenary Sessions
12:45 – 13:45	Lunch
14:00 – 15:15	Paper/Common Ground/Panel Sessions
15:30 – 16:45	Paper/Common Ground/Panel Sessions
16:45 – 17:15	Coffee Break & SRF Presentations
17:15 – 18:30	Paper/Common Ground/Panel Sessions
19:00 – 22:00	Monday Night Event

## TUESDAY, SEPTEMBER 25, 2018

08:00 – 09:15	Paper/Common Ground/Panel Sessions
09:30 – 10:30	Plenary Sessions
10:30 – 11:00	Coffee Break – Sponsored by ESSEC Business School
11:00 – 12:15	Paper/Common Ground/Panel Sessions
12:15 – 14:15	Awards Luncheon
14:30 – 15:30	Plenary Sessions
15:30 – 16:00	Coffee Break
16:00 – 17:15	Paper/Common Ground/Panel Sessions
17:30 – 18:45	Paper/Common Ground/Panel Sessions
19:00 – 20:00	Closing Reception

Access the conference program on iOS and Android devices using the **SMS Conferences app**. Visit your app store to download the app and build your schedule!



# MY CONFERENCE SCHEDULE

SATURDAY, SEPTEMBER 22, 2018				
09:00 – 16:00	Pre-Conference Workshops	SESSION	ROOM	PAGE #
16:30 – 18:00	Meet the SMS Editors			
19:00 – 21:00	Welcome Reception			

SUNDAY, SEPTEMBER 23, 2018				
08:00 — 09:15	Interest Group & Community Sessions	SESSION	ROOM	PAGE #
09:30 — 10:45	Interest Group & Community Sessions	SESSION	ROOM	PAGE #
10:45 — 11:15	Coffee Break			
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14:30 — 15:30	Plenary Session			
15:30 — 16:00	Coffee Break			
16:00 — 17:15	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
17:30 — 18:30	Interest Group & Community Business Meetings			
18:45 — 19:30	SMS Business Meeting			

# MY CONFERENCE SCHEDULE

MONDAY, SEPTEMBER 24, 2018				
08:00 — 09:15	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
09:30 — 10:45	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
10:45 — 11:15	Coffee Break & SRF Presentations			
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11:45 — 12:45	Plenary Sessions	SESSION	ROOM	
12:45 — 13:45	Lunch			
14:00 — 15:15	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
15:30 — 16:45	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
16:45 — 17:15	Coffee Break & SRF Presentations			
17:15 — 18:30	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
19:00 — 22:00	Monday Night Event			

TUESDAY, SEPTEMBER 25, 2018				
08:00 — 09:15	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
09:30 — 10:30	Plenary Sessions	SESSION	ROOM	
10:30 — 11:00	Coffee Break (Sponsored by ESSEC Business School)			
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14:30 — 15:30	Plenary Sessions	SESSION	ROOM	
15:30 — 16:00	Coffee Break			
16:00 — 17:15	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
17:30 — 18:45	Parallel Paper/ Common Ground/ Panel Sessions	SESSION	ROOM	PAGE #
19:00 — 20:00	Closing Reception			



## SESSION 1139

**DEVELOPING A RESEARCH IDENTITY**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	09:00–16:00 h
<b>Workshop</b>	<b>Room</b>	Studio A+B

**Session Organizers**Aseem Kaul, *University of Minnesota*Mahka Moeen, *University of North Carolina at Chapel Hill*

The Entrepreneurship and Strategy Interest Group, with support from the co-editors of SMJ and SEJ, is hosting a workshop on “Developing Your Research Identity” for junior faculty. The objective of the workshop is to help junior faculty build a distinctive research identity. As junior faculty move towards tenure, it is important for them to look beyond individual papers and start to shape a substantive yet coherent research agenda. Questions such as how to build a stream of papers in an area, which set of journals to target, how to craft related papers, and how to identify and communicate their identity become increasingly pertinent.

\*\*This workshop is only available to attendees with an accepted application.

**DOCTORAL WORKSHOP**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	09:00–16:00 h
<b>Workshop</b>	<b>Room</b>	Forum A+B

**Session Organizers**Phanish Puranam, *INSEAD*Frank T. Rothaermel, *Georgia Institute of Technology*

As pre-eminent PhD workshop for the SMS, it is intended for doctoral students at the early stage of their dissertation research. The workshop will be highly interactive and will include a variety of panels, practical sessions on developing dissertation proposals and launching academic careers, and a meet-the-editors session.

\*\*This workshop is only available to attendees with an accepted application.

**SRF WORKSHOP**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	09:00–16:00 h
<b>Workshop</b>	<b>Room</b>	Forum C

**Session Organizers**Africa Ariño, *IESE Business School*Tammy Madsen, *Santa Clara University*

One of the benefits of the Dissertation Research Grant Program is the opportunity for the first year grant recipients to participate in an interactive all-day workshop. The program for the day provides access to senior scholars to receive feedback on research, a meet-the-editors panel and advice on managing grant funding.

\*\*This workshop is only available to the first year SRF Dissertation Research Grant Scholars.



**Strategy Research**  
FOUNDATION

## SESSION 1140

**BUILDING A RESEARCH PIPELINE IN STRATEGIC HUMAN CAPITAL**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	09:00-12:00 h
<b>Workshop</b>	<b>Room</b>	Studio E

**Session Organizers**John Mawdsley, *HEC Paris*Dana Minbaeva, *Copenhagen Business School*

This half-day workshop is intended to help doctoral students develop a strategic human capital (SHC) related research project from raw idea to an executed study. A secondary purpose is to help doctoral students with SHC interests to connect with each other and build potential future collaborations through their associations during the session. The workshop will include two components: a research development session and a senior faculty panel. This breakout session provides opportunities for participants to discuss and receive feedback on their research project in an informal setting. Following this, senior faculty panelists will discuss critical aspects of the research and publication process, ways to craft a successful research program, future directions in SHC research, and other questions of concern for doctoral students in this area.

**\*\*This workshop is only available to attendees with an accepted application.**

## SESSION 1141

**ENGAGING STUDENTS WITH CASES IN THE DIGITAL AGE**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	09:00-12:00 h
<b>Workshop</b>	<b>Room</b>	Studio F

**Session Organizers**Antoine Duvauchelle, *INSEAD*Saeed Khanagha, *Ericsson*Vijaya Narapareddy, *University of Denver*Ning Su, *Western University*

This interactive PDW aims at bringing together corporate managers and faculty interested in adopting new experiential methodologies through evolving case teaching techniques with the primary goal of demonstrating how to create an engaging learning classroom through the use of experiential cases. Corporate partners selected for this PDW are leaders in digital transformation and digital innovation. As such, the case study will focus on the two topics of digital transformation and digital innovation.

## SESSION 1142

**STRATEGY PROCESS AND PRACTICE RESEARCH WORKSHOP**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	09:00-12:00 h
<b>Workshop</b>	<b>Room</b>	Forum G-J

**Session Organizers**Frances Fabian, *University of Memphis*Shenghui Ma, *University of Zurich*

Strategy Process and Strategy Practice scholars share similar interests and challenges in their research. The purpose of this workshop is to discuss the challenges of conducting and publishing studies on strategy processes and practices, providing junior faculty and PhD students with a forum to interact with senior scholars in the field and receive feedback on their projects. The workshop consists of a panel session (Part I) and a roundtable session (Part II). In Part I, a panel of editors and senior authors will discuss the challenges in conducting and publishing strategy process and practice research. In Part II, the panelists will give feedback on the projects or papers of participants in a roundtable format.

**\*\*The second portion of this workshop is only available to attendees with an accepted application.**

## SESSION 1143

**EXPERIMENTING WITH EXPERIMENTS? AN EXPERIMENT DEVELOPMENT WORKSHOP**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	09:00-12:00 h
<b>Workshop</b>	<b>Room</b>	Studio G+H

**Session Organizer**Libby Weber, *University of California, Irvine*

This workshop attempts to pull back the curtain on experimental methods, by allowing participants to benefit from the successes and failures of strategy scholars who regularly use this approach in their research. During the first hour of the workshop, participants will listen to panelist presentations on topics such as typical Issues in experimental design or field experiments, and publishing experiments in strategy journals. The next two hours of the workshop will be devoted to roundtable discussions. **\*\*This workshop is only available to attendees with an accepted application.**

## SESSION 1144

**PROFESSIONAL DEVELOPMENT WORKSHOP**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	09:00-12:00 h
<b>Workshop</b>	<b>Room</b>	Studio E+F

**Session Organizers**Kristina Vaarst Andersen, *University of Southern Denmark*Marie-Ann Betschinger, *HEC-Montreal*Francesco Di Lorenzo, *Copenhagen Business School*Claudine Gartenberg, *University of Pennsylvania*Manuela Hoehn-Weiss, *Oregon State University*Jiao Luo, *University of Minnesota*Denisa Mindruta, *HEC Paris*Ivana Naumovska, *INSEAD*

The Knowledge and Innovation, Cooperative Strategy, Competitive Strategy, and Corporate Strategy Interest Groups are pleased to co-sponsor a paper development workshop and future research directions workshop for junior faculty. The goal of the workshop is two-fold: (1) to provide junior scholars with collective insights from a panel of senior scholars operating at the forefront of the field of strategy and (2) to give junior scholars an opportunity to receive feedback on their current papers in progress on topics central to the knowledge and innovation, cooperative, competitive, and corporate strategy areas.

**\*\*This workshop is only available to attendees with an accepted application.**

## SESSION 1300

**COMPETITIVE STRATEGY DEVELOPMENT WORKSHOP**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	09:00-12:00 h
<b>Workshop</b>	<b>Room</b>	Studio D

**Session Organizers**Seth Carnahan, *University of Michigan*Elena Vidal, *City University of New York*

The Competitive Strategy IG is hosting a workshop targeting junior faculty and late stage doctoral students to create a discussion around two themes: (1) The Review Process and (2) Tenure and Mobility. For the first part, the goal is for our participants to gain better insight on how to improve their R&R process as an author, as well as a reviewer. For the second part, the goal is for our participants to learn more about the tenure process and the process of lateral mobility.


**WORKSHOP LUNCH**  
 GALERIE AND LOFT

## SESSION 1146

**DEVELOPING AND PUBLISHING FORMAL MODELS IN STRATEGIC MANAGEMENT RESEARCH**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	13:00-16:00 h
<b>Workshop</b>	<b>Room</b>	Forum E+F

**Session Organizers**

Olivier Chatain, *HEC Paris*  
 Andrea Fosfuri, *Bocconi University*  
 Alfonso Gambardella, *Bocconi University*  
 Hong Luo, *Harvard University*  
 Tomasz Obloj, *HEC Paris*  
 Gonalo Pacheco de Almeida, *HEC Paris*  
 Claudio Panico, *Bocconi University*  
 Elena Plaksenkova, *HEC Paris*

This workshop will aim to stimulate a discussion about the use of formal models in strategy research and outline the opportunities and the challenges associated with this method. In particular, we will focus on the process of developing, leveraging and publishing formal models. The workshop will combine panel discussions where scholars will share their experiences of developing and publishing formal models, as well as thematic round tables focusing on specific questions.

## SESSION 1148

**GLOBAL STRATEGY PAPER DEVELOPMENT WORKSHOP**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	13:00-16:00 h
<b>Workshop</b>	<b>Room</b>	Studio G+H

**Session Organizers**

Tina Ambos, *University of Geneva*  
 Luis Dau, *Northeastern University*  
 Grazia Santangelo, *University of Catania*

The 20th SMS Global Strategy Paper Development Workshop (PDW), organized by the Global Strategy Interest Group, is hosted to provide scholars with developmental feedback on their current research papers in the field of global strategy. The purpose of the PDW is broader: to improve the quality of global strategy research by providing quality feedback, and to bring new scholars into the field.

\*\*This workshop is only available to attendees with an accepted application.

## SESSION 1149

**POLITICAL AND STAKEHOLDER STRATEGIES FOR THE ERA OF DE-GLOBALIZATION PAPER DEVELOPMENT WORKSHOP**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	13:00-16:00 h
<b>Workshop</b>	<b>Room</b>	Studio E

**Session Organizers**

Witold Henisz, *University of Pennsylvania*  
 Jiao Luo, *University of Minnesota*  
 Timothy Werner, *University of Texas at Austin*

The Stakeholder Strategy Interest Group and Theme Track - Political and Stakeholder Strategies for the Era of De-Globalization are pleased to jointly offer a research-focused workshop. This workshop will include panel discussions and breakout sessions. For the panel portion, faculty will discuss the state of the field, new research directions, and state-of-art methodological advances. The second portion of the session will involve a breakout session where participants can gain personalized feedback on their research from faculty.

\*\*This workshop is only available to attendees with an accepted application.

## SESSION 1150

**A PRACTICAL MACHINE LEARNING WORKSHOP**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	13:00-16:00 h
<b>Workshop</b>	<b>Room</b>	Forum G-J

**Session Organizers**

Anoop Menon, *University of Pennsylvania*  
 Bart Vanneste, *University College London*

Machine learning (ML) is rapidly changing society and research. This workshop provides a practical ML introduction for strategy scholars without ML experience. Participants will get direct exposure to three key ML topics: regularization, natural language processing, and clustering. Under the guidance of experts, participants will analyze data in computer labs and learn about ML firsthand. This workshop also provides participants with information on how to continue learning how to apply ML after the workshop and motivation to incorporate ML in their future research.

## SESSION 1152

**JUNIOR SCHOLAR PAPER DEVELOPMENT WORKSHOP**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	13:00-16:00 h
<b>Workshop</b>	<b>Room</b>	Studio F

**Session Organizers**

Dana Minbaeva, *Copenhagen Business School*  
 Greg Reilly, *University of Connecticut*

This half-day workshop is intended for junior scholars (non-tenured) and will include two components: a Paper Development Session and a Senior Faculty Panel. This breakout session will provide opportunities for junior scholar participants to discuss and receive feedback on their research in an informal setting. During the panel portion, speakers will focus on issues most germane to junior scholars approaching tenure. Among other topics, these faculty members will share issues related to constructing a research portfolio, pivoting a publication strategy following a journal rejection, and identifying letter writers for tenure.

\*\*This workshop is only available to attendees with an accepted application.

## SESSION 1153

**STRATEGIC LEADERSHIP AND GOVERNANCE PAPER DEVELOPMENT WORKSHOP**

<b>TRACK W</b>	<b>Date</b>	Saturday, Sept. 22
	<b>Time</b>	13:00-16:00 h
<b>Workshop</b>	<b>Room</b>	Studio D

**Session Organizers**

Yuri Mishina, *Imperial College London*  
 Christine Shropshire, *Arizona State University*  
 Anastasiya Zavyalova, *Rice University*  
 David Hongquan Zhu, *Arizona State University*

The Strategic Leadership & Governance Interest Group is hosting a half-day Ph.D. Candidate & Junior Faculty Paper Development Workshop. Our workshop will commence with a paper development session offering participants the opportunity to discuss their work in small groups, in a round table format. Immediately following the paper development session, a panel of strategic leadership and governance scholars will discuss important aspects of the research process, including publication advice, the role of the reviewer, and developing a research stream beyond the dissertation.

\*\*This workshop is only available to attendees with an accepted application.



## SESSION 1159

**MEET THE SMS EDITORS****TRACK E**

**Date** Saturday, Sep 22  
**Time** 16:30 – 18:00  
**Room** Scene BC

**Meet the SMS Editors****Panelists**

Alvaro Cuervo-Cazurra, *Northeastern University*  
 Sendil Ethiraj, *London Business School*  
 Melissa Graebner, *University of Texas at Austin*

The panel will discuss the specific goals and objectives of the SMS journals, the concept of a family of journals, and the expectations of the SMS journals for potentially publishable papers. Open discussion will address the process of writing for publication in scholarly journals, the editorial policies of the SMS research outlets, and future directions for the dissemination of scholarly research through SMS.



**ALVARO CUERVO-CAZURRA** is a Professor of International Business and Strategy at Northeastern University. Before joining Northeastern he was a faculty member at the University of South Carolina and at the University of Minnesota, and a visiting professor at Cornell University. He studies the internationalization of firms, with a special interest in emerging market multinationals, capability upgrading, particularly technological capabilities, and governance issues, focusing on corruption in international business. His research appears in leading academic journals, such as *Academy of Management Journal*, *Journal of International Business Studies*, *Strategic Management Journal*, and *Research Policy*. He is co-editor of *Global Strategy Journal*, was the reviewing editor of *Journal of International Business Studies* and serves on the editorial boards of other leading journals. His geographical area of expertise is Latin America. He was elected a Fellow of AIB and to the Executive Committee of the International Management Division of AOM.



**SENDIL ETHIRAJ** is the London Business School Term Chair Professor of Strategy and Entrepreneurship at London Business School. His research focuses on firms as complex systems. He received his Ph.D. at The Wharton School, University of Pennsylvania and was on the faculty at the Ross School of Business, University of Michigan for over a decade. Sendil Ethiraj's research is built on the basic premise that firms are bundles of interdependent choices or complex systems. He unites his interest in understanding firms-as-complex-systems with the central questions in strategy that revolve around generating and sustaining competitive advantage. His research has been published in the leading strategy journals including *Administrative Science Quarterly*, *Management Science*, *Organization Science*, and *Strategic Management Journal*. He served as Department Editor for the Organizations department of *Management Science* before joining the editorial team at *Strategic Management Journal*.



**MELISSA GRAEBNER** is an Associate Professor of Management at the University of Texas and an associate editor for *SEJ*. Her research focuses on understanding social micro-processes in strategic contexts, particularly in the settings of new ventures and mergers and acquisitions. She has a particular interest in process research and qualitative research methods. Her work has been published in leading journals including *ASQ*, *AMJ*, *Strategic Organization* and *SMJ*. She is a recipient of the 2009 Best Paper Award from *AMJ* and received, with co-authors Jeff Martin and Phil Roundy, the 2017 SO! WHAT Award for the best SO!apox essay published in *Strategic Organization* in 2012. She serves on the editorial boards for *SMJ*, *Strategic Organization*, and *Strategy Science*. She received her PhD in Management Science and Engineering from Stanford University and has worked as a strategy consultant for McKinsey and Company in Chicago and San Francisco.

19:00 – 21:00  
**WELCOME RECEPTION**



## SESSION 949

**ECOSYSTEMS RESEARCH: TAKING STOCK AND PROMISING DIRECTIONS**

<b>TRACK E</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	08:00 – 09:15
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum I+J

**Session Chairs**

Shiva Agarwal, *University of Texas at Austin*  
Cameron Miller, *Syracuse University*

**Panelists**

Carliss Baldwin, *Harvard University*  
Ram Ranganathan, *University of Texas at Austin*  
Fernando Suarez, *Northeastern University*  
Gurneeta Vasudeva Singh, *University of Minnesota*

Business ecosystems underlie the core value proposition in many industries. These ecosystems can be comprised of multiple firms whose activities or technologies need to be coordinated for the value proposition to materialize. Over the past two decades, a growing body of research has examined issues of coordination and competition within business ecosystems. The panel will discuss the progress of this literature and how it draws on and relates to other important areas such as alliances, standards, platforms and networks. The panel will also discuss some promising avenues of future research on ecosystems as well as some of the important theoretical and empirical challenges faced by scholars interested in studying ecosystems.

## SESSION 937

**SIGNALING THEORY: ECONOMIC AND BEHAVIORAL PERSPECTIVES**

<b>TRACK F/P</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	08:00 – 09:15
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum C

**Session Chair**

Ivana Naumovska, *INSEAD*

**Panelists**

Brian Connelly, *Auburn University*  
David Gomulya, *Singapore Management University*  
Margarethe Wiersema, *University of California, Irvine*  
Maurizio Zollo, *Bocconi University*

Management and organizational research using signaling theory has gained momentum in recent years, incorporating in the study of signals a wide range of information cues and symbolic representations that do not conform to the definition of signals from an information economics perspective. While this broader use has enabled the study of a more holistic range of communications, it has come at the cost of precision on understanding what constitutes signals and how they work and why. The goal of the session is to discuss signaling theory from the economic and the behavioral perspective, reviewing diverse array of management research and highlighting avenues for future work.

## SESSION 916

**WOMEN IN INTERNATIONAL MANAGEMENT: GENDER DIVERSITY AND INCLUSIONS**

<b>TRACK G</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	08:00 – 09:15
<b>IG&amp;C Sunday</b>	<b>Room</b>	Studio D

**Session Chair**

Grazia Santangelo, *University of Catania*

**Panelists**

Snejina Michailova, *University of Auckland*  
Dana Minbaeva, *Copenhagen Business School*  
Joyce Osland, *San Jose State University*

Despite the growing research interest in gender diversity and inclusion, international management/international business scholars tend to treat gender as a variable among other variables comparing men and women and their different qualities with each other or using it as either a control or cultural macro variable (Tienari 2014). This panel intends to move the discussion further in the

field to explore avenues through which research on gender diversity and inclusion as well as practices in multinational companies and international organizations can produce novel knowledge, and challenge prevalent assumptions in the international

management/international business field. Thus, the panel would be ideally organized around two overarching questions:

- How can research on gender diversity and inclusion advance international management/international business research?
- How can practices on gender diversity and inclusion in multinational companies and international organizations help inform international management/international business research?

## SESSION 930

**BEHAVIORAL FOUNDATIONS OF STRATEGY PROCESS**

<b>TRACK H</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	08:00 – 09:15
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum F

**Session Chair**

Murat Tarakci, *Erasmus University Rotterdam*

**Panelists**

Steven Floyd, *University of Massachusetts, Amherst*  
Daniella Laureiro-Martínez, *ETH Zurich*  
William Ocasio, *Northwestern University*

Strategy is made, shaped and executed by those who think, feel, and care with all their perfect imperfections. In fact, we are witnessing not only the acceptance of this behavioral perspective but also a proliferation of strategy process studies along behavioral lines. Some scholars have been quick to borrow explanations from social and cognitive psychology and apply them into strategy process to advance and reformulate our existing theories. Others are building home-grown behavioral theories of strategy process. To further move strategic process research forward, it is time to look back on our accumulated knowledge and discuss the major challenges and opportunities for future research. Our panelists, who have helped build the foundations of this behavioral turn, will facilitate our review and offer an invaluable and lively forum to spark new research ideas.

## SESSION 920

**TEACHING INDUSTRY ANALYSIS:  
INCORPORATING RESEARCH INSIGHTS FROM  
INDUSTRY EVOLUTION AND ECOSYSTEMS**

<b>TRACK I/T</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	08:00 – 09:15
<b>IG&amp;C Sunday</b>	<b>Room</b>	Auditorium

**Session Chair**Charles Williams, *Bocconi University***Panelists**Rajshree Agarwal, *University of Maryland*Marvin Lieberman, *University of California, Los Angeles*Henning Piezunka, *INSEAD*Sonali Shah, *University of Illinois at Urbana-Champaign*

The panelists in the session consist of scholars in industry evolution and industry ecosystems, and the session provides exemplars of how to bring industry dynamics and ecosystem concepts into the strategy classroom for applied audiences. Panelists share their ideas and syllabi for teaching industry analysis from perspectives of industry evolution and ecosystems as an alternative to the five forces framework, which remains the dominant paradigm in the field more than 25 years after it was first proposed. In keeping with media innovations goals of SMS, the in-person panel will be preceded by video interviews with each panelist, posted on the SMS YouTube Channel in the weeks leading up to the conference. The interactive discussion during the panel will then engage panelists and audience members to integrate insights and stimulate additional thought on the various approaches for infusing research insights into teaching and practice.

## SESSION 927

**OPEN STRATEGY: CURRENT STATUS AND FUTURE  
PROSPECTS FOR RESEARCH AND PRACTICE**

<b>TRACK J</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	08:00 – 09:15
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum A

**Session Chair**Julia Hautz, *University of Cologne***Panelists**Loizos Heracleous, *University of Warwick*Kurt Matzler, *Free University of Bozen-Bolzano*Luciano C. Oviedo, *Intel*Christian Stadler, *University of Warwick*Richard Whittington, *University of Oxford*

Strategy processes are becoming more open by increasing transparency and inclusion. New 'Open Strategy' practices make more strategic information available and enable more internal and external stakeholders to engage in the strategic conversation. Research on Open Strategy has highlighted variability and contingencies of open practices and inherent dilemmas and dynamics. Building on a gathering body of research, this panel session provides collective insights from a diverse panel of distinguished scholars and experienced practitioners operating at the forefront of these fields. Leading senior researchers will highlight current papers, discuss the state-of-the-field and propose new research directions, opportunities and challenges related to Open Strategy research. A practitioner will share his expertise and experience in cutting edge Open Strategy design from sessions held around the world. The panel will propose key research questions and opportunities for practice in the field of Open Strategy with time allocated for Q&A.

## SESSION 934

**ENTREPRENEURIAL NETWORKS**

<b>TRACK K/N</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	08:00 – 09:15
<b>IG&amp;C Sunday</b>	<b>Room</b>	Studio F

**Session Chairs**Isin Guler, *University of North Carolina at Chapel Hill*Hana Milanov, *Technical University of Munich***Panelists**Emily Cox Pahnke, *University of Washington*David Deeds, *University of St. Thomas*Ha Hoang, *ESSEC Business School*Balagopal Vissa, *INSEAD*

Informal and formal relationships and the resulting networks are ubiquitous in all phases of the entrepreneurial process. Whether seen as "pipes" through which ideas and resources flow, or "prisms" through which actors are evaluated, understanding how networks evolve and with what outcomes has been a topic of growing academic interest with important practical implications. In this panel, we will discuss the latest research on networks in entrepreneurship spanning both individual and firm levels, with the intent of creating a research agenda for the future. Some of the highlights will include: 1) Deepening our understanding of network dynamics (e.g. What is the role of "past tie performance" in its renewal? When and why are ties (re)activated, hibernate, or deactivated over time? What is the role of identity in this process?), 2) Understanding what's known and still unclear in how networks contribute to (or detract from) resource mobilization, and 3) Thinking through the rigor in measuring what flows through ties and how to capture what we aim to test.

## SESSION 923

**INTEGRATING MICRO/MACRO PERSPECTIVES ON  
HUMAN CAPITAL MOTIVATION**

<b>TRACK L</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	08:00 – 09:15
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum B

**Session Chair**Anthony Nyberg, *University of South Carolina***Panelists**John Delery, *University of Arkansas*Todd Zenger, *University of Utah*

This session examines human capital motivation from both the micro and macro perspectives. We have one expert from a more "micro" tradition and one expert from a more "macro" tradition. These experts have provided each other with a short reading list representing best current thought on human capital motivation from their respective traditions. They will study these papers and then teach us what they learn about opportunities for integration between their respective traditions.



## SESSION 910

**MOTIVATIONAL FOUNDATIONS FOR STRATEGY RESEARCH**

<b>TRACK M/P</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	08:00 – 09:15
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum E

**Session Chair**Flore Bridoux, *University of Amsterdam***Panelists**Doug Bosse, *University of Richmond*Rodolphe Durand, *HEC Paris*Nicolai Foss, *Bocconi University*

Realistic behavioral assumptions are essential to understand managerial decisions as well as social interactions within organizations and between external stakeholders and organizations. This panel brings together leading scholars in the area of behavioral strategy and stakeholder strategy to discuss recent advances about motivational foundations for strategy research. While behavioral strategy aims to provide psychological underpinnings for our leading theories in strategic management, it has somewhat neglected motivational assumptions so far. In contrast, stakeholder strategists have borrowed from different fields outside of management in order to propose more realistic motivational assumptions. The panelists will present new developments and/or discuss opportunities for future research.

## SESSION 889

**THE STATE OF THE ART OF CORPORATE GOVERNANCE IN EUROPE**

<b>TRACK O/C</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	08:00 – 09:15
<b>IG&amp;C Sunday</b>	<b>Room</b>	Studio A

**Session Chair**Ruth Aguilera, *Northeastern University***Panelists**Igor Filatotchev, *King's College London*Marie Louis Mors, *Copenhagen Business School*Blanche Segrestin, *MINES ParisTech*Till Talaulicar, *University of Erfurt*Alessandro Zattoni, *LUISS Guido Carli University*

The panel will open with a brief synopsis of main current events in corporate governance in each of the countries and then the Chair will ask questions to all panelist regarding how different global trends such as shareholder activism, hybrid firms, sustainability pressures, executive diversity, disclosure and accountability, etc. are being played out in their respective countries. Filatotchev will introduce the United Kingdom, Segrestin will discuss France, Talaulicar will cover Germany, Thomsen will update us on the Nordic countries, and Zattoni will represent Italy.

## SESSION 907

**SHOULD CSR BE TAUGHT AS PART OF STRATEGY CLASSES AND, IF SO, HOW?**

<b>TRACK T</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	08:00 – 09:15
<b>IG&amp;C Sunday</b>	<b>Room</b>	Studio E

**Session Chair**Timothy Hart, *University of Tulsa***Panelists**Morris Danielson, *Saint Joseph's University*Parthiban David, *American University*Michelle Westermann-Behaylo, *University of Amsterdam*

CSR is a well-accepted concept in research and in practice. Yet strangely it is under-represented in the instruction of strategic management. In this session, panelists discuss whether CSR should be incorporated into strategy, and related, courses and if so, how. The panelists represent a diverse set of views and experiences and should create an interesting and engaging session.

## SESSION 948

**STAYING IN THE GAME: CREATING VALUE WITH OBSOLETE RESOURCES**

<b>TRACK E</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	09:30 – 10:45
<b>IG&amp;C Sunday</b>	<b>Room</b>	Studio D

**Session Chair**

Jan-Michael Ross, *Imperial College London*

**Panelists**

Marvin Lieberman, *University of California, Los Angeles*

Robert Seamans, *New York University*

J Myles Shaver, *University of Minnesota*

Elena Vidal, *City University of New York*

As competition erodes the value of a firm's resources, the efficient release and repurposing of obsolete resources become critical to firm performance. We explore this fundamental idea at three different levels of analysis: (1) at the resource level by looking at how technological adoption, such as robots and machine visions, differentially affects the use of human labor across firms (2) at the business unit level by examining how competition induces the divestment of business units, and in turn, enables the search for new technological resources, and (3) at the regional level by exploring how the inflow and turnover of managerial talent affect the vitality of firms and regional economies. We conclude by proposing a framework that quantifies the economic gains that arise through innovation and the displacement of competitors and their distribution across different stakeholders.

## SESSION 915

**SKEPTICISM OF GLOBALIZATION: LESSONS FOR RESEARCHERS**

<b>TRACK G</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	09:30 – 10:45
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum E

**Session Chair**

Alvaro Cuervo-Cazurra, *Northeastern University*

**Panelists**

Yves Doz, *INSEAD*

Ajai Gaur, *Rutgers University*

In this session, we will converse on how the skepticism of globalization is altering the way in which we should think about the behavior of firms and the theory of the firm, both domestically and internationally. Researchers need to understand the extent to which choices now made by managers in global companies and their networks of suppliers, customers and partners reflect these new constraints and uncertainties. In the session, we will present some suggestions on how to think about the impact of skepticisms of globalization on strategy and engage with the audience on how to create a research program that analyzing this relevant and understudied topic. We will also include authors of papers considered for the special issue of *Global Strategy Journal* on the topic to share their expertise and lessons learned from analyzing the topic.

## SESSION 931

**EXECUTIVE COGNITION AND STRATEGY PROCESS: CURRENT RESEARCH DIRECTIONS AND METHODOLOGICAL ADVANCEMENTS**

<b>TRACK H/R</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	09:30 – 10:45
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum A

**Session Chairs**

Patricia Klarner, *WU Vienna*

Andreas Schwab, *Iowa State University*

**Panelists**

Gerard P. Hodgkinson, *University of Manchester*

Sucheta Nadkarni, *University of Cambridge*

Taco Reus, *Erasmus University Rotterdam*

Jeremy Short, *University of Oklahoma*

Recent research has highlighted the ability for individual personality characteristics, predilections, and team interactions appear to significantly contribute to macro-organizational outcomes. This panel has published a variety of approaches to document the array of supporting evidence for this contention, and here takes stock of research on executive cognition and strategy process as well as contemporary methodological advancements. Panelists will present their recently published research in top tier journals, illustrating the state-of-the-field on the role of CEO temporality and personality as well as team cognition in strategy process. They will also discuss new areas of inquiry and new methods to study executive cognition and respond to questions from the audience.

## SESSION 922

**RESEARCH ON TECHNOLOGICAL DISCONTINUITIES: CURRENT STATE & FUTURE DIRECTIONS**

<b>TRACK I</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	09:30 – 10:45
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum I+J

**Session Chair**

Lourdes Sosa, *London School of Economics and Political Science*

**Panelists**

Frank T. Rothaermel, *Georgia Institute of Technology*

Michael Tushman, *Harvard University*

Since the seminal work in the 1980s (e.g., Tushman and Anderson, 1986), the study of technological discontinuities has been a fruitful area for strategy, organizational theory, and knowledge and innovation research at large. Significant progress has been made in understanding the depreciation of firm capabilities as competence-destroying discontinuities unfold, particularly in regards to R&D operations. That said, recent technological developments and changes in consumer trends (e.g., digital disruption) require a broader agenda beyond existing models. While competence destruction is important, further understanding of competence enhancement, and more generally, of portfolio management on a firm's capabilities may also be required. While R&D operations have been the basis of innovation activity, connections across activities through the entire value chain may illustrate a more current platform for innovation. In this panel, researchers revisit the topic of technological discontinuities in light of ongoing work and provide avenues for future research.





## SESSION 926

### NEW TRENDS IN STRATEGIZING OF FAMILY BUSINESSES

<b>TRACK J</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	09:30 – 10:45
<b>IG&amp;C Sunday</b>	<b>Room</b>	Studio F

#### Session Chairs

Fabian Bernhard, *EDHEC Business School*  
George Tovstiga, *EDHEC Business School*

#### Panelists

David Bork, *Family Business Matters*  
Ludovic Cailluet, *EDHEC Business School*  
Nadine Kammerlander, *WHU Otto Beisheim School of Management*  
Helena McDonnell, *Cambridge Family Enterprise*  
Carlo Salvato, *Bocconi University*

Family businesses are a prevalent form of organization form in most of the world's economies and their strategic approaches differ from other organizations. The aim of this panel session is to identify and reflect on critical questions regarding latest developments in the field of strategy pertaining to family businesses – and specifically related to trends such as digitalization, demographic change, and political tendencies of protectionism. Questions include: How does strategizing differ in a family business from a nonfamily business? What are the unique strategic challenges of family businesses when it comes to dealing with an increasingly digital world? How do family businesses strategize in the light of demographic change? Do the latest tendencies of protectionism (e.g. US administration, Brexit, etc.) play towards or against family businesses?

## SESSION 938

### ENTREPRENEURSHIP AND CORPORATE POLITICAL STRATEGY

<b>TRACK K/F</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	09:30 – 10:45
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum F

#### Session Chairs

Vikas Aggarwal, *INSEAD*  
Ivana Naumovska, *INSEAD*

#### Panelists

Sinziana Dorobantu, *New York University*  
Witold Henisz, *University of Pennsylvania*  
Nan Jia, *University of Southern California*  
Timothy Werner, *University of Texas at Austin*

The relationship between business and politics has been a fruitful area of recent research, representing a growing domain of interest to scholars of strategic management. The goal of this session is to showcase and discuss both contemporary research as well as opportunities for future work on topics within this area. Topics to be covered include strategy and entrepreneurship within different political environments, the inter-relationship between firms and political parties, and the implications of political hazards for international investment strategies. The presenters in this session will discuss recent research papers, and also highlight opportunities for future work at the intersection of business and politics.

## SESSION 925

### INTEGRATING MICRO/MACRO PERSPECTIVES ON HUMAN CAPITAL MOBILITY

<b>TRACK L</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	09:30 – 10:45
<b>IG&amp;C Sunday</b>	<b>Room</b>	Auditorium

#### Session Chair

Deepak Somaya, *University of Illinois at Urbana-Champaign*

#### Panelists

Martin Ganco, *University of Wisconsin-Madison*  
Jason Shaw, *Nanyang Technological University*

This session examines human capital mobility from both the micro and macro perspectives. We have one expert from a more “micro” tradition and one expert from a more “macro” tradition. These experts have provided each other with a short reading list representing best current thought on human capital mobility from their respective traditions. They will study these papers and then teach us what they learn about opportunities for integration between their respective traditions.

## SESSION 911

### RETHINKING THE FUNDAMENTALS: STRATEGY THEORY FROM A STAKEHOLDER PERSPECTIVE

<b>TRACK M</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	09:30 – 10:45
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum B

#### Session Chair

J W Stoelhorst, *University of Amsterdam*

#### Panelists

Jay Barney, *University of Utah*  
Russell Coff, *University of Wisconsin-Madison*  
Anita McGahan, *University of Toronto*  
Maurizio Zollo, *Bocconi University*

What would, could, or should strategy theory look like if it were to explicitly take a stakeholder perspective? Theories of strategy, either implicitly or explicitly, typically treat the firm as a unitary agent, or as a nexus-of-contracts in which managers are seen as the agents of shareholders. At the same time, strategy scholars are increasingly rejecting these views in favor of a stakeholder view that treats the firm as a collective enterprise in which people both cooperate to create value and compete to appropriate that value. This session discusses the extent to which adopting a stakeholder view requires changes to our theories, their assumptions, their dependent variables, their explanatory logic, and their predictions.

## SESSION 935

**CROSSING THE CHASMS BETWEEN DYADIC, PORTFOLIO, AND NETWORK RESEARCH**

<b>TRACK N</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	09:30 – 10:45
<b>IG&amp;C Sunday</b>	<b>Room</b>	Studio B

**Session Chair**

Fabrice Lumineau, *Purdue University*

**Panelists**

Glenn Hoetker, *University of Melbourne*

Dovev Lavie, *Bocconi University*

Denisa Mindruta, *HEC Paris*

Francisco Polidoro, *University of Texas at Austin*

Strategy scholars have paid much attention to inter-organizational relationships as sources of competitive advantage. However, research at the dyadic, portfolio, and network level has largely grown in separate ways. This panel brings together four leading scholars to take stock of existing work bridging the dyadic, alliance portfolio, and network levels and explore theoretical and empirical opportunities for cross-fertilization across levels of analysis. The panelists will discuss what alliance scholars—both at the dyadic and portfolio level—could learn from a network perspective and what network studies could gain from a dyadic and portfolio focus, and whether specific issues in regard to the formation, management, and consequences of inter-organizational relationships are better addressed at a specific level of analysis.

## SESSION 917

**EDITOR'S PANEL—STRATEGIC LEADERSHIP & GOVERNANCE IG**

<b>TRACK O</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	09:30 – 10:45
<b>IG&amp;C Sunday</b>	<b>Room</b>	Studio E

**Session Chair**

Cynthia E Devers, *Texas A&M University*

**Panelists**

Ruth Aguilera, *Northeastern University*

Craig Crossland, *University of Notre Dame*

Zeki Simsek, *Clemson University*

This panel consists of current and former editors from some of the top journals in our field: the *Academy of Management Journal*, the *Academy of Management Review*, *Administrative Science Quarterly*, *Organization Science*, and the *Strategic Management Journal*. The panel will discuss the goals and objectives of each of the journals. The editors will also talk about the expectations of the journals for potentially publishable papers in strategic management. The session will conclude by allowing attendees to ask questions of the panel.

## SESSION 908

**INTEGRATING DESIGN THINKING INTO THE STRATEGIC MANAGEMENT CURRICULUM**

<b>TRACK T</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	09:30 – 10:45
<b>IG&amp;C Sunday</b>	<b>Room</b>	Studio A

**Session Chairs**

Sabine Baumann, *Jade University of Applied Sciences*

Charles Shrader, *Iowa State University*

**Panelists**

Jill Brown, *Bentley University*

Alan Hoffman, *Bentley University*

Rita Järventie-Thesleff, *Aalto University*

Michael Nippa, *Free University of Bozen-Bolzano*

Candace TenBrink, *University of Houston*

Thomas Wunder, *Neu-Ulm University of Applied Sciences*

Modern strategy faculty face increasingly complex teaching challenges. A broadly accessible, effective, and powerful approach is needed that can be integrated into all aspects of teaching strategy. "Design thinking" provides a structured approach for solving problems and teaches students to be more creative, innovative and entrepreneurial. It proposes a new pedagogy and mindset that faculty and practitioners can use to analyze complex strategic issues and teach strategy implementation. This session brings together experienced educators and program leaders who shed light on design thinking and how educators can use it to teach strategy. Panelists address how to teach students to use design thinking for class presentations and case analysis. They will also discuss how to use design thinking to develop strategic plans and anticipate disruptive innovations.

10:45 – 11:15  
**COFFEE BREAK**



#### SESSION 940

### LATEST AND GREATEST IN EMPIRICAL METHOD: OPPORTUNITIES AND ADVANCES IN MACHINE LEARNING IN THE CONTEXT OF STRATEGIC MANAGEMENT.

TRACK E/R	Date	Sunday, Sep 23
	Time	11:15 – 12:30
IG&C Sunday	Room	Auditorium

#### Session Chair

Martin Ganco, *University of Wisconsin-Madison*

#### Panelists

Phanish Puranam, *INSEAD*

Keyvan Vakili, *London Business School*

Bart Vanneste, *University College London*

Machine learning techniques have made a significant impact on many fields from engineering to medicine. While the interest in machine learning is growing in the strategic management field, we still lag behind other fields in terms of its adoption. This session will bring together researchers who are at the cutting edge of applying machine learning methods to the questions relevant to strategy scholars. The discussions will include topics such as using machine learning to build theory in strategic management through algorithmic induction (the benefits of machine learning are in the ability to cleanly separate between pattern detection and pattern explanation), topic modeling (allowing for the discovery of hidden semantic structures in text) and statistical model selection (which helps to narrow down the set of relevant controls if the potential space of variables is large). The discussions will include concrete examples that will illustrate the applicability of the machine learning methods.

#### SESSION 932

### TOWARD BIG DATA: A MODERN WORKFLOW FOR DATA MANAGEMENT

TRACK F	Date	Sunday, Sep 23
	Time	11:15 – 12:30
IG&C Sunday	Room	Forum A

#### Session Chair

Federico Aime, *Oklahoma State University*

#### Panelists

Jason Kiley, *Oklahoma State University*

Across research domains, there is a growing interest in analyzing granular, high-volume data using machine learning techniques, which is often referred to as “big data.” For many researchers, a key challenge is handling and preparing data for analysis. This session offers a set of principles and a demonstrated workflow that scales from traditional archival analyses to machine learning using the Python ecosystem of data tools and Jupyter notebooks. The example workflow in the session combines M&A announcement data with media coverage data. This session has three primary objectives. First, we clarify that using Python for data management is more similar to existing software than many researchers realize, and that programming knowledge is helpful but not necessary. Second, we suggest that practices that promote scientific reproducibility primarily benefit the researcher in the future rather than having only a community benefit. Finally, we demonstrate a workflow using a Jupyter notebook, including a shared repository that includes the session’s contents and underlying philosophy.

#### SESSION 914

### THE ATTENTION-BASED VIEW IN THE GLOBAL CONTEXT

TRACK G	Date	Sunday, Sep 23
	Time	11:15 – 12:30
IG&C Sunday	Room	Studio F

#### Session Chair

Tina Ambos, *University of Geneva*

#### Panelists

Julian Birkinshaw, *London Business School*

Felipe Monteiro, *INSEAD*

Amalia Nilsson, *Uppsala University*

William Ocasio, *Northwestern University*

Timo Vuori, *Aalto University*

The Attention-Based View (ABV) provides a useful lens for strategic decision-making and for orchestrating the activities of big complex firms (Ocasio, 1997; Joseph & Ocasio, 2012; Ocasio, Laamanen & Vara, 2018). A number of studies applied ABV to address challenges in the global context, in particular the role of headquarters’ attention to subsidiary companies (Bouquet & Birkinshaw, 2008; Ambos, Andersson & Birkinshaw, 2010) and innovation management in the global firm (Monteiro, 2015; Vuori & Huy, 2016). But to date, we still know relatively little about how differences in the global context, such as corporate structures or institutional differences, affect the allocation of attention. This panel aims to shed light on the state of our knowledge about ABV in the global context. It seeks to develop a research agenda how ABV could be extended in order to account better for contextual differences in the global environment.

#### SESSION 909

### FOUNDATIONS INTERVIEW: A CONVERSATION WITH PROFESSOR CONSTANCE HELFAT

TRACK I	Date	Sunday, Sep 23
	Time	11:15 – 12:30
IG&C Sunday	Room	Forum C

#### Session Chair

Elena Novelli, *City, University of London*

#### Panelists

Constance Helfat, *Dartmouth College*

Ekin Ilseven, *INSEAD*

Minh Vo, *INSEAD*

The session is dedicated to the well-established tradition within the K&I interest group to interview foundational scholars in the field of strategic management, whose influential work encompasses strategy, organizational knowledge and innovation. This year, we have the pleasure of presenting Prof. Constance Helfat. During the session, we will hear about the evolution of her career in the field of Strategy and we will have the opportunity to listen to her experience in the advancement of the field. We will be hearing about her perspective on the process of doing research and her view on the field of Strategy going forward. The session will come to an end with a Q&A opportunity.



## SESSION 921

**NEW PLATFORM CREATION IN DIGITAL ECOSYSTEMS: PROCESSES, DILEMMAS, AND IMPLICATIONS ON CORPORATE STRATEGY**

<b>TRACK I/H</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	11:15 – 12:30
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum G+H

**Session Chairs**

Shahzad Ansari, *University of Cambridge*  
Saeed Khanagha, *Ericsson*

**Panelists**

Manfred Dasselaa, *Philips Lighting*  
Nikolas Fahlkog, *Innovation Catalyzer*  
Michael G. Jacobides, *London Business School*  
Tobias Kretschmer, *LMU Munich*  
Gaspar Wosa, *Ericsson*

With the advent and increasing pervasiveness of digital technologies, established firms and new entrants often seek to gain competitiveness by creating new platform ecosystems. These firms, however, face several strategic dilemmas revolving around sustaining their own interests while also encouraging other firms to participate. To address the question of how to initiate, expand and diffuse a new platform ecosystem, we invited a distinguished panel of practitioners and scholars to explore the dynamics of platform creation over time. In this session, two senior practitioners will present some of the challenges of new platform creation and how they addressed those challenges. This will be followed by reflections and insights from the academic panel. The session will provide a forum to share insights about platform creation and to illuminate unresolved challenges, puzzles and gaps in our knowledge of platform strategies. The session will conclude with both practical and scholarly avenues to be addressed in future.

## SESSION 928

**RESEARCHING STRATEGY PRACTICES: A DIALOGUE BETWEEN ACADEMICS, CONSULTANTS AND BUSINESS PEOPLE**

<b>TRACK J</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	11:15 – 12:30
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum B

**Session Chair**

Lionel Garreau, *Paris-Dauphine University*

**Panelists**

Stephanie Dameron, *Paris-Dauphine University*  
Polydefkis Loukopoulos, *Philips Lighting*  
Olivier Sibony, *HEC Paris*  
Violetta Splitter, *University of Zurich*  
Richard Whittington, *University of Oxford*

The aim of this panel is to generate a discussion between Academics, Business people and Consultants (A, B & C) on strategy-as-practice research. With speakers from each of the three categories, the discussion will be organized around three main themes: (1) Methods: What are the main challenges for A, B and C when approaching strategy practices? How to collect data and analyze them? (2) Practical relevance: What is the managerial contribution of current strategy-as-practice research, if any? How to make the strategy-as-practice research more practically relevant? (3) Collaboration: How can we enhance collaboration between A, B & C to generate rigorous and relevant research? The panel will conclude with a Q&A session.

## SESSION 933

**STUDYING ENTREPRENEURIAL BEHAVIOR IN CONTEXT**

<b>TRACK K</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	11:15 – 12:30
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum I+J

**Session Chair**

Daniel Forbes, *University of Minnesota*

**Panelists**

Vibha Gaba, *INSEAD*  
Marc Gruber, *Swiss Federal Institute of Technology Lausanne*  
Rhonda Reger, *University of Missouri*

These are exciting times for the study of how people think & act entrepreneurially. Recent research has opened new theoretical directions involving identity and learning, among other topics. At the same time, scholars are exploring a widening array of entrepreneurial contexts that include organizational variations, such as accelerators and makerspaces, as well as macro-level variations, such as those that exist across countries and cultures. In light of these developments, we will consider whether research on entrepreneurial behavior is destined to become more fragmented, and we will search for elements of theory and method that facilitate integration and coherence in the study of entrepreneurial behavior.

## SESSION 924

**INTEGRATING MICRO/MACRO PERSPECTIVES ON HUMAN CAPITAL DEVELOPMENT**

<b>TRACK L</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	11:15 – 12:30
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum E

**Session Chair**

M. Audrey Korsgaard, *University of South Carolina*

**Panelists**

Clint Chadwick, *University of Kansas*  
Prithwiraj Choudhury, *Harvard University*  
Gina Dokko, *University of California, Davis*

This session examines human capital development from both the micro and macro perspectives. We have one expert from a more “micro” tradition and one expert from a more “macro” tradition. These experts have provided each other with a short reading list representing best current thought on human capital development from their respective traditions. They will study these papers and then teach us what they learn about opportunities for integration between their respective traditions.



## SESSION 912

### STAKEHOLDER STRATEGY IN AN INCREASINGLY DIFFICULT SOCIAL ENVIRONMENT

<b>TRACK M</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	11:15 – 12:30
<b>IG&amp;C Sunday</b>	<b>Room</b>	Studio I+J

#### Session Chair

Olga Hawn, *University of North Carolina at Chapel Hill*

#### Panelists

Ruth Aguilera, *Northeastern University*

Forrest Briscoe, *Penn State University*

Ioannis Ioannou, *London Business School*

Timothy Werner, *University of Texas at Austin*

Growing importance of and unprecedented internal and external pressures to respond to various environmental, social, and governance (ESG) issues have generated tough challenges for companies and their managers, especially given the rapidly evolving nature of such issues. Executives often ask “Should I respond, and if so, how?” and are quick to note that avoiding the news (or rather, avoiding being in the news) is an underrated strategy and a deliberate choice. As practitioners increasingly face trade-offs when dealing with multiple ESG issues at once, we still know relatively little about what factors play a role in whether and how they choose to respond. This panel will discuss the various factors that can influence a firm’s decision about whether and how to respond to a focal ESG issue, and how these factors associate with the observed heterogeneity of responses across firms and across issues.

## SESSION 929

### COOPERATION IN THE PUBLIC AND PRIVATE INTEREST

<b>TRACK N</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	11:15 – 12:30
<b>IG&amp;C Sunday</b>	<b>Room</b>	Studio B

#### Session Chair

Aseem Kaul, *University of Minnesota*

#### Panelists

Nan Jia, *University of Southern California*

Ilze Kivleniece, *INSEAD*

Anita McGahan, *University of Toronto*

Bertrand Quelin, *HEC Paris*

Brian Silverman, *University of Toronto*

The role of business in addressing major social issues is a topic of growing interest to the field of strategy. Fueled by this interest, recent scholarship has explored a variety of ways in which for-profit firms have sought to collaborate with social and political actors in an attempt to serve both public and private objectives. This includes work on private-public partnerships, privatization of public services, collaborations between businesses and NGOs, and other forms of cross-sector arrangements, as well as research on various hybrid organizational forms that seek to balance the sometimes conflicting imperatives of profitability and social impact. The proposed panel brings together scholars working at the forefront of this exciting new research domain, to reflect on the progress we have made in examining these issues, and share their views on the key opportunities that lie ahead.

## SESSION 918

### MICRO & MACRO METHODS IN STRATEGIC LEADERSHIP & GOVERNANCE RESEARCH

<b>TRACK O/R</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	11:15 – 12:30
<b>IG&amp;C Sunday</b>	<b>Room</b>	Studio D

#### Session Chair

Matthew Semadeni, *Arizona State University*

#### Panelists

Albert Cannella Jr, *Texas A&M University*

Craig Crossland, *University of Notre Dame*

Ryan Krause, *Texas Christian University*

Gerry McNamara, *Michigan State University*

Marie Mitchell, *University of Georgia*

This session focuses on how methods help us as we are theoretically seeking to bridge that divide between micro and macro levels of analysis. Much of our SL&G theorizing is at the micro level (individual or team), but then we use macro methods to test the hypotheses, with obvious consequences in terms of effect sizes and even detection of an effect. We assemble a panel of former or current associate editors to discuss this topic. The session begins with each panelist taking a few minutes to provide their characterization of the micro-macro theory-method issue, and then the balance of the time is a moderated discussion among the panelists and between the panelists and the audience.

## SESSION 936

### THE BOUNDARIES OF BEHAVIORAL STRATEGY

<b>TRACK P</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	11:15 – 12:30
<b>IG&amp;C Sunday</b>	<b>Room</b>	Studio E

#### Session Chair

Nicolai Foss, *Bocconi University*

#### Panelists

Jay Barney, *University of Utah*

Giada Di Stefano, *HEC Paris*

Jackson Nickerson, *Washington University in St. Louis*

Libby Weber, *University of California, Irvine*

In this session, we want to foster debate on the boundaries of behavioral strategy. The term behavioral strategy is widely used to describe many types of research. However, it is often applied to studies that are actually organizational behavior, behavioral economics or strategic decision making research. The consequence of this mislabeling is that the subfield of behavioral strategy may become perceived as a pale imitation of these other well-defined and well-executed fields, rather than a strong field with a unique contribution. Thus, it is not only important to discuss what behavioral strategy IS, but also what behavioral strategy IS NOT. In this session, we attempt to address these issues by starting with brief opening remarks from the panelists who both support and oppose the behavioral strategy perspective, as well as have different visions of the field. They will then debate the boundaries of behavioral strategy.

## SESSION 939

**NO MORE FIXED P-VALUE THRESHOLDS:  
QUANTITATIVE STRATEGY RESEARCH IN THE ERA  
OF NEW JOURNAL REPORTING REQUIREMENTS**

<b>TRACK R</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	11:15 – 12:30
<b>IG&amp;C Sunday</b>	<b>Room</b>	Forum F

**Session Chairs**

George Banks, *University of North Carolina at Charlotte*  
Andreas Schwab, *Iowa State University*

**Panelists**

Donald Bergh, *University of Denver*  
Alfonso Gambardella, *Bocconi University*  
Brent Goldfarb, *University of Maryland*  
Will Mitchell, *University of Toronto*

The Strategic Management Journal introduced new guidelines for authors requesting that researchers stop testing hypotheses using fixed p-value thresholds in quantitative empirical studies (Bettis et al., 2016). Fixed p-value thresholds have been criticized by methodologists on various grounds for a long time (Cohen, 1994; Hubbard, 2004; Gigerenzer, 2004). As a field that aspires to provide useful advice to managers, researchers need to identify practically and substantively important findings (Goldfarb & King, 2016; Schwab et al., 2011; Cumming, 2012; Aguinis et al., 2009). This panel session will introduce the motivations behind the changes of SMJ's submission guidelines and discuss several approaches that researchers should consider for their analysis and interpretation of empirical data. After related short presentations, a "question and answer" segment will offer opportunities for specific hands-on advice, recommendations and discussions.

## SESSION 913

**ONLINE EDUCATION IN STRATEGIC  
MANAGEMENT: BEST PRACTICES, TRENDS AND  
TECHNOLOGIES**

<b>TRACK T</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	11:15 – 12:30
<b>IG&amp;C Sunday</b>	<b>Room</b>	Studio A

**Session Chair**

Ronaldo Parente, *Florida International University*

**Panelists**

Stav Fainshmidt, *Florida International University*  
Vijaya Narapareddy, *University of Denver*  
Heraldo Sales Cavalcante, *Ericsson*  
Richard Smith, *Singapore Management University*

This panel will examine the challenges and promise of the online modality from the perspective of participants with significant experience in online teaching. In addition, the panel provides a framework for understanding how instructors can create "presence" in a virtual learning environment and will examine innovative tools, technologies and pedagogical approaches to teaching courses online and /or using hybrid formats. Particular emphasis will be given to reviewing new technological tools and techniques for delivering strategic management content for online and hybrid courses, instructor strategies for making existing online courses richer and more engaging for students, and best practices for teaching global strategy and strategic management content, including cases, to students at the undergraduate, graduate, and executive levels.

12:30 – 13:30

**LUNCH (SPONSORED BY INSEAD)**

SESSION 1156

**LIFETIME ACHIEVEMENT KEYNOTE AND AWARD**

<b>TRACK PLENARY</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	13:45 – 14:30
<b>Keynotes</b>	<b>Room</b>	Scene BC

**Session Moderator**

Rodolphe Durand, *HEC Paris*

**Speaker**

Emmanuel Faber, *Danone*

The SMS presents the Lifetime Achievement Award to honor the highest level of achievement in strategic management by a business leader. This award is not annual, but is only presented when an appropriate honoree is identified. The recipient of this award has demonstrated sustained strategic leadership and innovation that significantly altered strategy practice and is recognized as influencing the scholarly debate in leading academic institutions.

This year's Lifetime Achievement award will be presented to Emmanuel Faber, CEO of Danone.



**RODOLPHE DURAND** is the HEC Foundation Chaired Professor of Strategy at HEC-Paris and the academic director of the Society and Organizations Center which he launched in 2009. Rodolphe's primary research interests concern the sources of competitive advantage and the interplay between the cognitive and normative determinants of organizations' performance. For his work on these questions that integrate research streams from sociology,

philosophy, and management, Rodolphe received the American Sociological Association's R. Scott Award in 2005, the European Academy of Management/Imagination Lab Award for Innovative Scholarship in 2010, and was inducted Fellow of the Strategic Management Society in 2014. Rodolphe is also a prolific author of books where he puts in perspective the new foundations of management, notably: *Organizational Evolution and Strategic Management*, *The Pirate Organization: Lessons from the Fringed of Capitalism* (co-authored with JP Vergne), and *Organizations, Strategy, and Society: The Orgology of Disorganized Worlds*.



**EMMANUEL FABER** is the Chairman and Chief Executive Officer of Danone SA. Emmanuel began his career as a consultant at Bain & Company before working as an investment banker at Baring Brothers. He joined Legris Industries and was appointed Chief Executive Officer in 1996. Emmanuel joined Danone in 1997 to head the Finance, Strategies and Information Systems department, and became a member of the Executive Committee in 2000.

In 2005, he was appointed Chief Executive Officer of the Asia-Pacific region. In 2008 he became Deputy General Manager of Danone, and in 2011 he was appointed Vice-Chairman of the Board of Directors. He became Chief Executive Officer of Danone in October 2014. Since December 1, 2017, he is Danone's Chairman and Chief Executive Officer. Emmanuel Faber is very engaged in the development of new, more inclusive business models. In 2005, he supervised the first social enterprise trials in Bangladesh with Grameen Bank, as well as the creation of Danone Communities, in close collaboration with Mohammad Yunus, 2006 Nobel Peace Prize recipient. With Martin Hirsch, Emmanuel Faber is also the founder and co-chairman of Action-Tank Entreprise et Pauvreté, an organization created in 2010 at the initiative of the HEC Paris Chair "Social Business - Enterprise and Poverty". This organization brings businesses, community organizations and academia together around a shared objective: contribute to reducing poverty and exclusion in France by developing innovative economic models. At the request of the Deputy Minister of Development, he drafted a report with Jay Naidoo in 2013 titled: "Innover par la mobilisation des acteurs : 10 propositions pour une nouvelle approche de l'aide au développement" (Innovate by mobilizing stakeholders: 10 proposals for a new approach to development aid).

## SESSION 950

## INTERNATIONAL GOVERNANCE IN COMPANIES

<b>TRACK PLENARY</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	14:30 – 15:30
<b>Plenary Panel</b>	<b>Room</b>	Scene BC

## Session Leader

Annet Aris, *INSEAD*

## Panelists

Karin Dorrepaal, *Keery Group*

Angelika Gifford, *TUI and ProSiebenSat1*

Jacqueline Tammenoms Bakker, *TomTom*

Boards of directors play an important role in public corporations. In this session, we will engage with senior leaders to understand how the role of the board has changed over the past decade, whether the board still remains primarily a device for oversight, risk mitigation and compliance or whether boards are starting to play a new role in pushing the companies towards discovery of novel opportunities. We will also explore national differences in how the boards work and the increasingly important role that female directors play in the boardrooms in different countries. Our panelists bring enormous experience of board membership from around the world. They are also eager to discuss new research puzzles that academics studying international governance could focus on.



**ANNET ARIS** is adjunct professor of digital strategy at INSEAD. She developed and teaches the MBA-course "Media and Internet, the new rules of game in the digital world". In 2010 and 2011, she was nominated for the best teacher award. She was named one of the 50 most inspirational women in the European technology sector for 2016 by *Inspiring Fifty*. She is also a non-executive board member of a variety of companies going through the digital transition, amongst others Randstad NV, ASML NV, a.s.r. Nederland NV, Thomas Cook PLC, and Jungheinrich AG. Annet received a MSc. from the University of Wageningen and has an MBA from INSEAD. She worked for McKinsey from 1985 until 2003, in the Netherlands and the UK, then in Germany. She was elected partner in 1994. Together with Jacques Bughin, she wrote the book "Managing Media Companies, Harnessing Creative Value". She is a weekly columnist on the topic of digital transformation in the Dutch *Financial Times* and is chair of the election program committee of D66, a Dutch political party.



**KARIN DORREPAAL**, Ph.D. MBA, was a Partner at Booz & Co (formerly, Booz Allen & Hamilton, now PWC), where she worked for 14 years. She specialized in the pharmaceutical industry and advised major companies on issues regarding strategy, sales, marketing and supply chain. Prior to joining Booz&Co she worked in the Netherlands Cancer Institute. On the research performed in the Netherlands Cancer Institute, she received her Ph.D. from the Free University of Amsterdam. She also holds an MBA from the Erasmus University Rotterdam School of Management. In 2004 she joined the Executive Board of Schering AG in Berlin, Germany. Diagnostic Imaging BU as well as the functions Production and Procurement reported to her in her board role. She worked at Schering until the company was acquired by Bayer AG. Currently Dr. Dorrepaal serves as on several one and two tier board in various European companies.



**ANGELIKA GIFFORD** became Managing Director of Micro Focus DACH, a company deriving from the spin-merger of Hewlett-Packard in 2017. She is responsible for the end-to-end software business spanning from Big Data, Security to Internet of Things. Furthermore, she was leading the "Digital Transformation" go to market within HP Germany. From 1992 to 2013, Angelika held various directorships and management functions at Microsoft EMEA and Microsoft Germany GmbH, where from 2006 to 2011 she was a member of the Executive Board. Her last role was the development and implementation of the Cyber Security Business in Europe, Middle East and Africa. In 2009, she was voted "Female Manager of the Year" for Germany by an independent organization. Angelika is a member of the supervisory board at TUI AG (Hannover) and ProSiebenSat.1 (Munich). She is a board member of the Atlantik-Brücke e.V., and a corporate member at European Women's Management Development Network e.V.



**JACQUELINE TAMMENOMS BAKKER** studied at Oxford University and at the Johns Hopkins School for Advanced International Studies in Washington D.C. From 1977 to 1998, she worked for Shell, McKinsey and Unilever in the Netherlands, the U.K. and Turkey. In 1999, she moved to the public sector in the Netherlands, initially as Director of GigaPort (a public-private initiative to roll out broadband networks). From 2001 to 2007, she served as Director-General at the Dutch Ministry of Transport. Since 2008, Jacqueline has been an independent Board member. She is currently a Board member of CNH Industrial (Netherlands, I), TomTom (Netherlands), Unibail Rodamco Westfield (France), Groupe Wendel (France), and Chairman of the Van Leer Group Foundation (Netherlands). She is Vice-Chair at TomTom and chairs the Remunerations Committees at TomTom and Groupe Wendel. Previously she was a Board member of the Remunerations Committee at Vivendi (France), the CSR Committee at Tesco PLC (UK), and of Het Kadaster/Land Registry.

15:30 – 16:00  
COFFEE BREAK





## SESSION 1114

### BECOMING DIGITAL

<b>TRACK B</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Forum C

**Session Chair:** Marie Joachim, *Paris-Dauphine University*

#### Non-Native Digitals: Developing Data Driven Organizations

Markus Paukku, *University of Amsterdam*

Alexa Binnendijk, *University of Amsterdam*

Firms increasingly rely on digital technologies to engage with the global economy. While innovative Born Digital firms are organized around these technologies from inception less is known about the technological development processes of large, complex but non-natively digital organizations. The multiple case study integrates a technological maturity model with a dynamic capability development perspective to ask how these firms develop into data-driven organizations. The study also recognizes the interesting role that consultants play in the development, measurement and diffusion of technical as well as managerial practices throughout the process of developing organizational technological maturity.

#### Digital Transformation in the Sources of Value Creation: An Analysis in the Cultural Industries

Daniilo Pesce, *Polytechnic University of Turin*

Paolo Neirotti, *Polytechnic University of Turin*

In this paper we show the changing patterns in the mechanisms of value creation in cultural and creative industries before and after the digitization process. Through an in-depth case study of a leading cultural institution – the Van Gogh Museum – we identify three main key shifts in the value creation mechanisms from the pre-digital to the post-digital world. First, in the digital world customer value is created mostly by intangibles. Second, the intensity of the value creation is higher in the digital world for each dimension of the value chain. Third, our analyses show that physical resources matter also in digital settings and that they act as “anchor” and “bottlenecks” to customer value creation.

#### Channeling Strategic Value of Online Customers’ Communities.

Marie Joachim, *Paris-Dauphine University*

Christine Abdalla Mikhaeil, *IESEG School of Management*

The emergence of online communities (OCs) with new technologies provides new opportunities for firms to create and capture economic value. Integrating OCs within a firm’s value system directly entails important change in the design of interactions with customers. Addressing a group of intertwined customers can be an asset for firms, turning their strategic focus to the demand-side. Based on three case studies we highlight the underlying mechanisms underpinning OCs’ integration in corporate strategies. As a way of creating more value and leveraging this value to enhance firms’ performance we contribute to the literature by explaining how online communities can be an important asset for strategic management.

#### Conflicting Cognitive Frames in New Product Development: Exploring Physical-Digital Alliances

Nikolina Rosko, *City, University of London*

Charles Baden-Fuller, *City, University of London*

This paper examines how conflicting cognitive frames can arise that impede new product development (NPD) projects between alliances partners with different knowledge bases. To date, empirical research has found that partners that are cognitively distant are likely to have more complex and uncertain NPD processes and more complex products. However, there are new strands of thinking that look to solving tensions

with architectural reconfigurations. Our on-going project examining collaboration between digital and physical companies in the automobile industry seeks to identify the necessary theoretical and empirical conditions that result in reduced complexities in the alliances and improved NPD outcomes.

## SESSION 894

### STATE OWNERSHIP OF COMPANIES IN INTERNATIONAL CONTEXT

<b>TRACK C</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	16:00 – 17:15
<b>Parallel Panel</b>	<b>Room</b>	Scene G+H

#### Session Chairs

Anna Grosman, *Loughborough University*

Ilya Okhmatovskiy, *New University of Lisbon*

#### Panelists

Ruth Aguilera, *Northeastern University*

Alvaro Cuervo-Cazurra, *Northeastern University*

Pei Sun, *Fudan University*

Mike Wright, *Imperial College London*

State capitalism, characterized by extensive state ownership and influence over companies, has changed dramatically in recent times. State control over business not only expanded in the early 21st century, but also has changed in nature, with new hybrid forms of influence that have extended beyond national boundaries through the activities of state-affiliated multinational companies and sovereign wealth funds. Partial privatization created publicly traded companies that have to balance interests of state shareholders and private investors thus creating challenges for corporate governance of these companies as reflected in questions about board composition, special voting rights, information disclosure, etc. The panelists will consider from the international perspective the implications of new forms of state ownership for strategies and corporate governance of companies.

## SESSION 984

### CAPABILITIES

<b>TRACK E</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	16:00 – 17:15
<b>Common Ground</b>	<b>Room</b>	Studio A

**Session Facilitator:** Christina Carnes, *University of Nebraska, Lincoln*

#### Measuring Dynamic Capabilities: A Construct-Level Analysis

Olga Bruyaka, *West Virginia University*

Christiane Prange, *Tongji University*

Hua Li, *C^C Lab*

Measuring dynamic capabilities (DCs) remains the biggest barrier to progress in developing directions for theory and research in this area. In the present paper we offer a construct-level analysis of quantitative empirical studies measuring DCs. Adapting a decision-tree of measurement choices from the research methods literature, we offer a road map of quantitative empirical research on DCs. The present paper is intended as a practical guide for scholars who have been studying DCs, as well as for those who are new to the field. In addition, our paper provides a useful checklist for reviewers asked to evaluate empirical quantitative studies on DCs. Implications for research and practice are discussed further.



## How Replication Capabilities Shape Industry Evolution: The Case of Low-Cost Airlines

Carolina Castaldi, *Eindhoven University of Technology*  
Nicolai Foss, *Bocconi University*  
Koen Frenken, *Utrecht University*

The low-cost formula has represented a disruptive innovation for several service industries, from retail to aviation. We focus here on the emergence of low cost carriers (LCCs) as a new strategic group. We argue that understanding the dynamics of the aviation industry lends insight into how industry evolution is shaped by the forces of imitation and replication. Our key claim is that replication capabilities developed by a few early entrants shaped the LCC industry segment by defining the properties of the emerging dominant design. Relying on a rich data set of global entries and exits in the LCC segments, we aim to reconstruct the evolution of the LCC industry and link survival of new LCCs to both firm and industry specific processes.

## Firm Learning and Speed Capabilities: The Case of Oil Drilling

Toby Li, *Rice University*  
Ashton Hawk, *University of Colorado, Boulder*

Firm speed is an important part of strategy. However, we know less about its determinants. The purpose of this paper is to study the determinants of firm speed capabilities with a focus on firm learning. We propose that particular types of firm learning – generalizable learning, partner specific learning, and task specific learning -- can enable firms to become faster. We test and find support for our predictions in the empirical setting of onshore oil drilling. Our results contribute to our understanding of the role of speed in strategy and also have managerial implications by potentially informing firms in how to focus on particular types of learning in order to enhance firm speed.

## Environmental Dynamism, Firm Capabilities And Competitive Advantage

Tung Min Hung, *Rutgers University*  
Yi-Ju Lo, *Yuan Ze University*  
Ming-Je Tang, *National Taiwan University*

The effect of environmental dynamism on the relationship between firm capabilities and competitive advantage remains unclear. Drawing on the perspective of dynamic capabilities, we redress such an oversight and focus on an emerging trend of internationalization—global offshoring—to explore the impact of environmental dynamisms on the potential value of firm capabilities. When explaining the role of dynamic capabilities in global offshoring, we also stress the central importance of corporate-wide strategy. We propose that the interplay among a firm's capabilities, its strategies, and environmental dynamism that the firm faces in foreign locations matters. Examining 514 companies which offshored 2,923 functional projects among 89 countries from 2007 to 2011, we provide explanation why some firms perform better than others in face of environmental dynamism.

## How Consumers “Rule” in a Digital World: Moderated-Mediation Effect of Consumer Valuation on Capabilities-Performance Relationship

Sali Li, *University of South Carolina*  
Richard Priem, *Texas Christian University*  
Noman Shaheer, *University of South Carolina*  
Yonggui Wang, *University of International Business and Economics*

This study integrates the resource-based and demand-side perspectives to examine the well-researched capabilities-performance relationship in the burgeoning mobile apps industry. We propose that consumer valuations mediate the effect of capabilities on performance through their effects on value creation and value capture. We further argue that this mediating role of consumer valuation is contingent on market dynamism. We plan to test our hypotheses in a sample of newly launched apps in

gaming category of iOS app store. This will be one of the first empirical studies that simultaneously test the premises of both resource-based and demand-side perspectives. We hope our results will contribute in better integrating the resource-based and demand-side perspectives, advancing current theories to explain competitive strategies in the novel context of digital economy.

## Examining Substitutabilities Between Managerial and Organizational Capabilities

Reha Karadag, *University of Nebraska, Lincoln*  
Christina Carnes, *University of Nebraska, Lincoln*

Complementarity between firm capabilities has long been considered a key driver of value creation. However, the potential threat of substitutability to value creation has largely been overlooked. Herein we examine the potential substitutability between managerial capabilities and organizational capabilities for firm performance. Recognizing the diversity of managerial capabilities, we explore the substitutability between managerial and organizational capabilities and the underlying threat to value creation. Results indicate that the contribution of managerial capabilities to organizational performance weakens when organizational capabilities are stronger and that organizational capabilities that vary in resource-driven rigidity also vary in substitutability with managerial capabilities, where more rigid capabilities overlap with managerial capabilities to a lesser extent in value-creating potential than do less rigid organizational capabilities.

### SESSION 1064

## MARKET REACTION TO ACQUISITIONS

<b>TRACK F</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Studio F

**Session Chair:** Joao Cotter Salvado, *London Business School*

## Penalized or Prized? Stock Market Reaction to Acquisition Complexity

Panos Desyllas, *University of Bath*  
Martin C. Goossen, *Tilburg University*  
Corey Phelps, *McGill University*

Strategy scholars have studied the performance implications of events by examining how stock markets react to their announcement. Building on behavioral finance and strategy research, we examine when short-term stock market reactions are (in)consistent with long-term performance by focusing on the complexity of the event announced. We capture deal complexity by the extent to which acquisition targets are engaged in strategic alliances. Using a sample of 951 technology acquisitions, we find that investors initially react more negatively to acquisitions of connected than unconnected targets. In the long-term, however, acquirers of connected targets experience relatively higher stock returns. We also explore the boundary conditions of these results by examining moderator variables. Our study contributes to research on stock market efficiency and the literature on M&A performance.



## The Effect of Acquisitions on Customers: Twitter Evidence from the Dollar Tree-Family Dollar Acquisition

Amirhossein Zohrehvand, *University College London*  
Bart Vanneste, *University College London*

Mergers and acquisitions (M&A) are essential for firms' growth, yet cause disruption. The literature has studied extensively disruption to internal stakeholders but has mostly overlooked disruption to customers. To study the effect of M&A on customers, we apply the synthetic control approach to the acquisition of Family Dollar by Dollar Tree, both large retailers. In the longitudinal analysis, we use Twitter data to track customer sentiment and sales data to estimate realized revenue synergies. The main findings are that, relative to the control firms, (a) customer sentiment dropped after the acquisition announcement (b) Dollar Tree and Family Dollar lost \$3.9 billion over the 11 quarters after the announcement, and (c) changes in customer sentiment are a leading indicator of changes in sales.

## Acquisitions and the Visual Representation of Strategy

Joao Cotter Salvado, *London Business School*  
Freek Vermeulen, *London Business School*

Many organizations use visual frameworks to communicate their actions and intentions to stakeholders. We examine the effect of such frameworks in the context of acquisitions. Particularly, we theorize that the stock market's reaction to acquisition announcements is moderated by the use of visualizations. We argue that visualizations help create clarity for investors, resulting in more positive reactions in the stock market, albeit with greater variance – because clarity can backfire. Furthermore, we argue that the positive effect of these visualizations will be stronger for acquisitions representing a new course of action for the firm. We test our predictions through a matched sample design of 461 acquisitions by publicly listed US firms. We discuss implications for literatures on sense-making, impression management, and visual artefacts in management.

## The Market Value Spillovers of Mergers and Acquisitions: Disentangling Rivalry and Technological Signaling Effects

Marco Testoni, *University of California, Los Angeles*

Previous studies indicate that rivals of two merging firms experience positive stock market reactions at the merger announcement. The general interpretation of this phenomenon is that the acquisition reveals to the stock market new information about opportunities available to all industry participants, while there is no evidence that rivals could be damaged by the creation of a more efficient competitor. In this paper I show that the net spillover effect of a merger on an outsider can be empirically decomposed into a positive opportunity signaling effect and a negative market stealing effect. The first element is a function of the similarity between the outsider's technological resources and those of the acquired firm, while the second depends on the proximity between the two firms' product markets.

## SESSION 1127

## NETWORK STRATEGIES AND MNE GOVERNANCE

TRACK G	Date	Sunday, Sep 23
	Time	16:00 – 17:15
Paper	Room	Forum G+H

Session Chair: Tina Ambos, *University of Geneva*

## Exploiting Internalization Advantage through Networks: Role of Business Group Affiliation and Host Country Characteristics

Ajai Gaur, *Rutgers University*  
Chinmay Pattnaik, *University of Sydney*  
Jeoung Yul Lee, *Hongik University*  
Deeksha Singh, *Rutgers University*

We extend the internalization theory by examining the role of market internalization within the MNC network on foreign subsidiary survival. We argue that product and labor market internalization has a positive impact on the survival of foreign subsidiaries. The internalization advantages are however contingent on the level of host country institutional development and the affiliation of MNC parents to other network forms of organizations such as business groups. Findings based on a sample of 6170 subsidiary year observations, belonging to 292 MNCs from Korea during 1995 to 2013 operating in 63 host countries, provide robust support to our arguments.

## Interdependence between Corporate Governance and International Diversification: A Meta-Analysis

Ettore Spadafora, *Rochester Institute of Technology*  
Tatiana Kostova, *University of South Carolina*  
Valentina Marano, *Northeastern University*

The study focuses on the relationship between corporate governance (CG) and international diversification (ID). We utilize a multidimensional conceptualization of the two constructs, exploring several mechanisms of CG (e.g., ownership concentration, CEO compensation, and board independence) and depth and breadth of ID. Drawing on the agency, resource, information-processing, and institutional perspectives, we propose bidirectional causal effects between CG and ID. We test the model using meta-analytic structural equation modeling (MASEM) with data from 104 primary studies across 28 countries covering the 1970-2012 period and find overall support for our theoretical predictions.

## Dual Organizational Identification and Knowledge Sourcing of Overseas R&D Subsidiaries

Jaeyong Song, *Seoul National University*  
Yeonjin Park, *Electronics and Telecommunications Research Institute*  
Kazuhiro Asakawa, *Keio University*

In this empirical research, we investigated the effect of relative magnitude of a R&D subsidiary's dual organizational identification on its knowledge sourcing from the host country. Based on social identity theory and self-categorization theory, we hypothesized that antecedents of organizational distinctiveness, organizational prestige, inter-organizational cooperation, tenure and recent participation of membership are related to an overseas R&D lab's knowledge sourcing direction (knowledge sourcing from the host country or from others). We tested these hypotheses by using the data of overseas R&D laboratories of Japanese multinational corporations (MNCs).

## Subsidiary Initiatives in MNCs: Network Mobilization and Fluidity Across Initiative Phases

Tina Ambos, *University of Geneva*  
 Esther Tippmann, *University College Dublin*  
 Phillip Christopher Nell, *WU Vienna*

It is well acknowledged that subsidiary initiatives have the potential to add value to the multinational corporation. But the question how initiative champions mobilize different networks during the idea generation, negotiation and implementation phases in order to realize their initiatives has not been investigated to date. Drawing on ten in-depth case studies of subsidiary initiatives, we uncover the micro-processes of network mobilization. We reveal how managers draw on multiple networks and which motives, approaches and results are critical in different phases. Our study shows that most networks are 'fluid' in terms of size, configuration and results. These findings contribute by elaborating the concept of network fluidity and extending the literature on subsidiary initiatives.

SESSION 1060

### STRATEGY & ADVERSITY

TRACK H	Date	Sunday, Sep 23
	Time	16:00 – 17:15
Paper	Room	Forum I+J

Session Chair: Jorge Rivera, *George Washington University*

#### Business Adaptation to Natural Adversity Intensity

Jorge Rivera, *George Washington University*  
 Viviane Clement, *George Washington University*

We seek to contribute to the debate on the diverging perspectives on organizational adaptation, which view firms as either generally unable or capable of adapting to external adversity. We propose that both diverging perspectives tend to predict part of firms' adaption to natural adversity intensity. This is because of an interplay between latent counterbalancing mechanisms: First, organizational inertial forces and physical barriers that constrain organizations' willingness to adapt. Second, coalition building and internal political processes that allow managers to deploy resilience capabilities. Our analysis of U.S. ski resorts' adaptation to temperature levels indicate that firms facing medium levels of natural adversity intensity appear more likely to engage in higher adaptation while those experiencing lower and higher intensity show a tendency for lower adaptation.

#### Collective Strategy for Legitimation: The Discursive Work of Trade Associations

Thomas Greckhamer, *Louisiana State University*  
 Katelynn Sell, *Louisiana State University*

Understanding how firms organize to manage the public view of their industry and thereby of their firms is vital for strategy. One important way firms pursue their common goals through collective action is by establishing trade associations. Our study contributes to our understanding of how trade associations symbolically manage the legitimacy of the products and services of the industry they represent and thereby of the constituent firms. Our longitudinal discourse analysis study is based on archival data from a specific U.S. trade association spanning more than four decades. Findings offer insights regarding key strategies used in the association's discursive work, including managing controversy over the industry's product, aimed at building and maintaining the industry's legitimacy over time.

## Too Fast to Think: How Fast Organizational Response Mismatches the Temporal Threshold of Sustainability Issues

Xi Yi Yang, *ShanghaiTech University*  
 Xiaoyu Zhou, *ShanghaiTech University*

The question of why organizations fail to prevent ecological degradation has become one of the most topical issues in management research. However, most existing theories are organization-oriented and largely ignore the ontological or material properties of the sustainability issues. Drawing insights from ecological studies, we propose a novel framework in which organizational failure in addressing sustainability issues stems from a mismatch between fast organizational response and the temporal threshold of slowly-developing issues. Furthermore, to better understand why organizations tend to use fast responses to tackle sustainability problems, we conducted an inductive study of four ironware firms that failed to address a serious soil contamination in China. Preliminary findings informed a model of a fast mind-set that drives organizations to adopt quick solutions to sustainability issues.

## Enacting Value Systems: Exploring Strategy as Process in Societal Adversity

Joakim Netz, *Stockholm University*

This study examines how public organizations adapt as they face adversity. Prior research portrays rapid adaptation of public organizations as inhibited by bureaucracy, while overcoming such administrative inertia is presumed valuable but relatively little theorized. Our grounded case analysis reveals how new capacity for protecting a local community from foreign power unfolded reinforced by three actions by a public agency: empowering actors, balancing tensions, and learning from feedback. We trace these actions to temporal management structures, their different phases in a two-year process, and how this process resolved the social need but also rendered new public-private relationships. To explain this pattern, the concept "enacting value system" is developed and offers a counter-point to predominant views on public organizations ability to rapidly create new value.

SESSION 1017

### BREAKTHROUGH INNOVATIONS AND WICKED PROBLEMS

TRACK I	Date	Sunday, Sep 23
	Time	16:00 – 17:15
Paper	Room	Auditorium

Session Chair: Gideon Markman, *Colorado State University*

#### What Makes Discoveries More Useful?

Maritza Espina, *St. Ambrose University*  
 Gideon Markman, *Colorado State University*

Discoveries are important in innovation and entrepreneurship, but little is known about how to measure its potential. Discoveries are embedded in firms and market contexts, meaning that their value is confounded by the firms, managers and entrepreneurs who use them. This is why many discoveries are defined and assessed on a post hoc basis, and why entrepreneurs, investors, and scholars struggle to measure discoveries, let alone know in advance whether to invest in any particular discovery or not. We found that three attributes—newness, scope and reputation—are related to the usefulness of discoveries. Interestingly, the first two attributes are determined when a discovery is inception, thus suggesting that innovators can greatly influence the utility of their discoveries.



## Wicked Problems as Knowledge Problems: A Stakeholder Approach to the Case of Hydraulic Fracking

Richard Hunt, *Virginia Tech*  
David Townsend, *Virginia Tech*

Drawing upon data from the hydraulic fracturing industry, this empirical study demonstrates that wicked problems are essentially knowledge problems. Using the public disclosure practices of energy producers, we assess the extent to which the public, cooperative use of knowledge – rather than the private, competitive use of knowledge – results in improved coping mechanisms for dealing with wicked problems. Our study reveals that a comprehensive, collaborative disclosure strategy is more effective than a competitive approach in mitigating the effects of four key stakeholder knowledge problems: ambiguity, complexity, uncertainty and equivocality. Despite the short-term risks and costs associated with sharing proprietary knowledge, cooperative disclosure strategies offer firms numerous off-setting benefits and tend to generate better outcomes for all parties, including the disclosing firm.

## Jack of All Trades or Master of One? A Typology of Inventors and Breakthroughs

Anna Fung, *University of Washington*  
Charles Connaughton, *University of Washington*

Research on knowledge creation produces conflicting conclusions when pondering who creates breakthroughs: are they broadly-knowledgeable dabblers, or deeply specialized scientists? Moreover, are different types of inventors more likely to create certain types of breakthroughs? We answer these questions by applying natural language processing and topic modelling to identify and classify breakthrough technologies, parsing all abstracts of US patents between 1969-2017. We make two main theoretical contributions. First, we build upon existing theory by creating and testing a typology of inventors and their breakthroughs. Second, we explore the tension between recombination and gap-finding as mechanisms leading to breakthrough innovations; this has historically been overlooked as research using patent measures is unable to observe breakthrough innovations directly.

## Innovation in Expert Work: The Adoption of New Tasks by Expert Communities of Practice

Dylan Boynton, *Northwestern University*  
Jillian Chown, *Northwestern University*

We examine the dynamics of expert work by analyzing how expert communities of practice incorporate new tasks into their work. Building on the concept of absorptive capacity, we explore how the knowledge required for experts' current work are related to their subsequent adoption of new expert tasks. We theorize that two dimensions of experts' work—the complexity of experts' jobs and the breadth of the required knowledgebase—are positively related to the likelihood the community of practice adopts the new task and the speed of adoption. We test these hypotheses using a dataset capturing all of the discrete procedures performed by over 20,000 physicians in Ontario over 10 years. We find support for the importance of work complexity, but not knowledge breadth, in shaping adoption.

SESSION 1022

## COGNITIVE PERSPECTIVES ON INNOVATION

TRACK I/P

Date Sunday, Sep 23

Time 16:00 – 17:15

Common Ground

Room Studio B

Session Facilitator: Daniella Laureiro-Martínez, *ETH Zurich*

## CEO Overconfidence and Innovation: The Moderating Role of Board Social Capital

Priscilla Sarai Kraft, *University of Giessen*  
Teresa Antonia Dickler, *IE Business School*  
Andreas Bausch, *University of Giessen*

Drawing on upper echelon theory, which suggests that the cognitive styles of top managers significantly influence firm outcomes, we examine the impact of CEO overconfidence on innovation. By integrating insights from the resource dependence theory, we further theoretically develop and empirically analyze the different moderating roles of intra- and extra-industry board social capital. Using longitudinal data of a large sample of U.S. public firms, our findings highlight that overconfidence has no significant direct effect on innovation. Instead, our results reveal that CEO overconfidence is only beneficial for innovation if the board consists of extra-industry social capital. Our study thus contributes to the upper echelon research by uncovering the moderating roles of different types of board social capital on the relationship between CEO overconfidence and innovation.

## Metaknowledge: Its Acquisition, Development, and Functioning in Organizational Settings

Stefano Miraglia, *University of Cambridge*  
Andrew Davies, *University College London*

We identify a set of metaknowledge-based activities that underpin the leveraging of organizational knowledge as a strategic resource. Using interpretive grounded theory methods, we examined how two large firms reproduced their knowledge assets while transferring and adapting them to new contexts of utilization. We found that the activities of reutilization and adaptation of such knowledge assets were supported and guided by specific types and functions of metaknowledge. Our findings offer a nuanced characterization of the role of metaknowledge in collaborative settings, and open a new perspective on the relationship between managerial cognition and metacognition and the foundations of dynamic capabilities.

## Orchestrating Surprise: Reframing Users' Negative Senses for Service Innovation in Museum Shop

Chiatai Hsu, *National Chengchi University*  
Chun-Fang Yang, *National Chengchi University*

This article explores how to transform users' negative sensemaking into service innovation. Our research investigates how designers may leverage users' uninformed complaints for renovating sales model in a museum shop. Theoretically, the findings speak to user-centric innovation theories by elaborating how cognitive shift emerges from limitations. They explain how to reorient users' negative sensemaking for constraint resolution. Practically, as acknowledged, sensemaking towards novelties often astonishes users and lead to rejection of innovation. This study suggests creative ways to translate users' pain points into pleasant experience. When designers come to grips with remaking various kinds of negative senses, they may orchestrate surprises for users to embrace innovation.



## The Impact of Motivational and Directive Feedback on the Development of Ideas During Innovation Tournaments

Mathias Boënné, *Vlerick Business School*

Walter Van Dyck, *Vlerick Business School*

Feedback is brought forward as an inherent part of any effective innovation process (Terwiesch & Ulrich, 2009). Seemingly small changes in how feedback is given can have a significant impact on how ideas are turned into innovations (Beretta, 2017). We address the question how different types of feedback affect the development of ideas. We study a dataset composed of three major innovation tournaments organized by an international service provider, yielding 405 ideas that pass through 5 stages where they are assessed on their innovativeness and are either eliminated or allowed to proceed. Survival regressions models are used to estimate the impact of two types of feedback – motivational and directive feedback (Nadler, 1977) – on the progress of an idea during the tournaments.

## Towards Systematically Developing individuals' Ambidextrous Performance: A Social Cognitive Perspective

Raphael Boemelburg, *University of St. Gallen*

Maximilian Palmié, *University of St. Gallen*

Jonas Böhm, *University of St. Gallen*

Charlotte Lekkas, *University of St. Gallen*

Research on ambidexterity has increasingly taken an interest in individual level ambidexterity as a potential micro-foundation of competitive advantage. While several antecedents of individual ambidexterity have been identified, actionable angles for managing and developing this capability on the level of the employee are largely missing. We adopt a social cognitive perspective and identify explorative self-efficacy as a predictor of individual ambidexterity that can be influenced by transformational leadership. Drawing on primary, multi-informant data from 245 employees we find strong support for our hypotheses. Our results both show actionable angles for practitioners and point the theoretic discussion of the emergence of individual ambidexterity towards the potential of models of self-regulation.

## The Pace of Change and Creative Performance

Florenta Teodoridis, *University of Southern California*

Michaël Bikard, *London Business School*

Keyvan Vakili, *London Business School*

Past research is divided on whether specialists or generalists have superior creative performance. While many have highlighted generalists' advantage due to access to a wider set of knowledge components, others have underlined the benefits that specialists can derive from their deep expertise. We argue that the pace of change in a knowledge domain shapes the relative return from being a specialist or a generalist. Using the impact of the Soviet Union's collapse on the performance of theoretical mathematicians as a natural experiment, we show that generalist scientists performed best when the pace of change was slower, but that specialists had an advantage when the pace of change increased. Overall, our results highlight important trade-offs associated with the choice of becoming a specialist or a generalist.

## SESSION 1104

## COLLABORATIVE STRATEGY-MAKING: PARTICIPATION, INCLUSION, AND INFLUENCING

### TRACK J

Date Sunday, Sep 23

Time 16:00 – 17:15

### Paper

Room Studio D

Session Chair: Josh Morton, *University of Leeds*

## Employees' Participation in Strategy Making Over Time: The Recursive Relation Between Participation and Resources

Violetta Splitter, *University of Zurich*

David Seidl, *University of Zurich*

Richard Whittington, *University of Oxford*

There is a new trend towards the inclusion of lower-level employees in strategy making. Yet, such participation is challenging as lower-level employees typically lack the resources for participation, such as requisite strategy knowledge. Drawing on a practice-theoretical perspective on resources and data from a longitudinal, ethnographic case study of a participative strategy process in a large insurance company, we examine the dynamics of participation of lower-level employees. In particular, we identify a recursive relation between participation and the enactment of resources. With this finding we contribute to the understanding of participation over time, extending existing research on the resources of participation.

## Influencing Strategy Process by Orchestrating an Online Community

Anna Plotnikova, *University of Leeds*

Krsto Pandza, *University of Leeds*

Drawing our conclusions from a case study of a large telecommunication company this study makes contributions to the discussion on open strategizing and online community development. We aim to answer the question of how open strategy initiative can influence formal strategy process within a large organization. By looking at online strategy community of professionals over a period of more than four years we discuss activities critical for community emergence and sustainment and propose a model of community influence on the formal strategy process. We emphasise tensions arising from divergent logics of community and formal organization. Our findings illustrate activities that community leaders undertake in order to overcome the tensions and to nourish community within the organization.

## Strategizing In Inter-Organizational Collaborative Strategy Initiatives

Madalina Stoicovici Pop, *Aarhus University*

Ingo Kleindienst, *Aarhus University*

Organizations engage increasingly in inter-organizational collaborative strategy initiatives to solve meta-problems. However, we still know little about how sensemaking and framing interact to affect the dynamics of strategizing especially in these inter-organizational settings with multiple divergent frames and interests. Drawing on an in depth case study of a cross-sector smart city initiative, this study investigates how the strategizing practices of actors influences collective action around organizational strategic projects. We find that when faced with conflict, managers use higher order frames to incorporate opposing views. This allows deferred decision making outside of the boundaries of the collective, which subsequently leads to change or to new projects to emerge.



## The CEO Post-Succession Process: A Participative Strategy-Making Approach in a Pluralistic Context

Josh Morton, *University of Leeds*

This research paper proposal explores the increasing focus on participative strategy-making activities in organizations, and how these might be used as a mechanism in the CEO post-succession process. The work here focuses on a professional association, a typical pluralistic context, in which there are many competing demands of diffused and divergent stakeholders. The main body of the research explores how participative strategy is used by the organization's new CEO to integrate into the organization, sense make through participative practices, and realign the strategic direction of the organization with the demands of its environment. This ultimately emphasizes the potential for participative strategy-making at a time where new CEO's need to ensure authority and clarity in setting strategic direction and nurturing key relationships.

### SESSION 1083

## INSTITUTIONS AND ENTREPRENEURSHIP

TRACK K	Date	Sunday, Sep 23
	Time	16:00 – 17:15
Common Ground	Room	Studio E

**Session Facilitator:** Justin Webb, *University of North Carolina at Charlotte*

## The Impact of Institutional Environment on Entrepreneurial Opportunity Recognition: A Randomized Field Experiment

Khonika Gope, *Stanford University*

Charles Eesley, *Stanford University*

While entrepreneurship as a career choice is gaining popularity globally, little is known about the impact of local institutional contexts on entrepreneurial activities, above and beyond the dispositional characteristics of the entrepreneurs. One contextual argument that is particularly vulnerable to endogeneity problem is that bureaucratic environments suppress entrepreneurship. However, the traits that lead people to be entrepreneurs are also the traits that lead them to avoid employment in bureaucratic firms. To overcome this endogeneity issue, we set up a randomized field experiment in an entrepreneurship boot-camp in Bangladesh. We randomly assigned 390 participants to different bureaucratic and non-bureaucratic environments to explore how these environments impact entrepreneurial opportunity recognition. We find that entrepreneurs recognize fewer but better opportunities in bureaucratic conditions.

## Paradox of Patriarchy: Gender Gap in Growth-Oriented Entrepreneurship across Countries

Yeonsin Ahn, *INSEAD*

Xiaowei Luo, *INSEAD*

Despite the important influence of gender-based stereotypes on women entrepreneurship, little is known about how patriarchy shapes women's willingness to pursue growth-oriented ventures. We propose that family patriarchy and professional patriarchy can exert opposing influences. Family patriarchy can confine women's role to private and domestic spheres, thus guiding women's entrepreneurial efforts to supplementing their family duties and limiting their efforts to break into the high-growth entrepreneurship. In comparison, professional patriarchy can exclude women from relatively high-paying occupations and leadership positions, thus motivating some women to pursue entrepreneurship to seek better opportunities. We further propose how individual attributes can further moderate these processes. We test our arguments using data from Global Entrepreneurship Monitor and find support.

## Informal Economic Activities, Regulatory Institutions, and Socio-economic Outcomes: A Case of a Printing Hub

William Phanuel Kofi Darbi, *Ghana Institute of Management and Public Administration*

Paul Knott, *University of Canterbury*

Drawing on the de-globalization conference theme, we present an ambiguous and imperfectly understood competitive context that sits in contrast to the assumptions of the 'globalized world'. The informal printing hub in Accra, Ghana operates in the 'informal sector' characterised by various degrees of non-compliance with business registration, tax and employment legislation. We characterise the operations and strategic practices of these small informal businesses, and show how associated actors including regulatory institutions and formal business customers navigate the terrain and co-construct informality as a near-legitimate phenomenon. In doing so, we explain how the informal economy achieves not only a resilient operational and competitive position, but also a set of positive socio-economic outcomes, contrary to conventional 'globalization' views of the sector.

## Analyzing the Impact of Global Aid Flows on Formal and Informal Entrepreneurship

Elizabeth Moore, *Northeastern University*

Luis Dau, *Northeastern University*

Jonathan Doh, *Villanova University*

Official development aid reached more than \$140 billion in 2016, yet its efficacy remains uncertain. In this study, we examine the impact of three sources of monetary aid flows on formal and informal entrepreneurship. Drawing from international political economy literature regarding the impact of aid on host countries, and institutional perspectives on entrepreneurship, we propose that multilateral aid promotes formal entrepreneurship in the recipient country, while bilateral and private aid reduces it. Moreover, we argue that bilateral aid and private aid promote informal entrepreneurship, while multilateral aid reduces it. The analyses of a panel of 330 observations from 66 countries from 2001-2011 provide robust support for these findings, with the exception that private aid is associated with higher levels of both formal and informal entrepreneurship.

## Institutional Logics in Venture Capital Syndicates: A Conceptual Framework

Yingzhao Xiao, *Chinese University of Hong Kong*

Kevin Au, *Chinese University of Hong Kong*

We examine how venture capital (VC) firms interact in VC syndicates. While past research has explored the formation and outcome implications of VC syndicates, relatively less known is the internal dynamics in the syndication process. Anchoring on the institutional logics perspective, we propose that VC syndicates are a special setting of multiple logics. We then develop a theoretical model to explain how heterogeneous relationships of logics lead to dynamics within syndicates. To illustrate our framework, we discuss the implications of internal dynamics in the investment syndicates for investee firms. We conclude by discussing how an institutional logics approach to VC syndicates advances organizational research and entrepreneurial finance studies.



## Entrepreneurial Orientation, Virtue Orientation, and Microfinance Institution Performance: An Institutional Logics Perspective

Aaron Anglin, *Texas Christian University*  
 Jeremy Short, *University of Oklahoma*  
 David Ketchen, *Auburn University*  
 Thomas Allison, *Washington State University*  
 Aaron McKenny, *University of Central Florida*

Crowdfunded microfinance enables microfinance institutions (i.e., entities that make microloans to impoverished entrepreneurs – MFIs) to share their risk by partnering with crowdfunding organizations. We build knowledge surrounding this partnership by leveraging institutional logics to explore how entrepreneurial and virtuous orientations reflected in four years of MFI profile descriptions provided to Kiva influence financial and social performance for 180 MFIs. We also examine how economic conditions and state fragility moderate these relationships. We show adopting entrepreneurial and virtuous orientations enables effective management of competing institutional pressures wherein financial and social performance may act as substitutes when facilitating the MFI-crowdfunding partnership. An important implication is the lending network created by crowdfunded microfinance may discourage overemphasis on financial concerns, keeping social missions at the vanguard of microfinance.

### SESSION 1087

#### DIGITAL ENTREPRENEURSHIP

<b>TRACK K</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Forum A

**Session Chair:** David Gomulya, *Singapore Management University*

## Failed Entrepreneurial Experiments: Helpful, Mostly Harmless... or Harmful?

Ryan Angus, *University of Utah*  
 Matthew Barlow, *University of Texas at El Paso*  
 William Schulze, *University of Utah*

A growing body of work suggests that failed experiments are an unfortunate and unavoidable, but ultimately helpful, part of the entrepreneurial process. However, it may be the case that the assumptions this work makes about learning from failure do not hold under the informationally uncertain conditions that characterize entrepreneurial experiments. This study empirically investigates the effects of failed experiments on entrepreneurial ventures' chances for success in the context of the Google Play app store. The study finds that that failed experiments are more likely to harm, rather than help, entrepreneurial ventures' chances for success. These findings suggest it may be better to encourage entrepreneurs to do whatever it takes to make their first experiment as successful as possible, rather than encouraging them to fail often.

## Hunting for Likes: Legitimate Distinctiveness in the Context of Social Media

Benedikt Seigner, *Technical University of Munich*  
 Hana Milanov, *Technical University of Munich*  
 Friderike Bruchmann, *Technical University of Munich*

New ventures face the paradox of striving to be simultaneously understood by audiences—and fitting into known institutional environments—yet maintaining their distinctiveness that makes the essence of their identity. While prior literature has highlighted the complexities of doing both at the same time, in the dynamic and instantaneous context of social media, any separation of the two narratives is not feasible. We study the extent to which independent vs. combined narratives containing conforming and non-conforming statements result in greater audience recognition. We collected data from Twitter and CrunchBase on 435 US-based start-

ups, and will test the effects of ventures' minimal narratives containing conformance and non-conformance claims on the reactions of their audiences in a panel study design.

## How Competitive Rivalry Shapes Institutional Pressure: Evidence from Innovation Adoption in Digital Platforms

Hye Young Kang, *Singapore Management University*

The adoption of innovation is a central topic in institutional theory. While scholars have increasingly attempted to integrate institutional theory with findings in strategic management literature, they have not yet to consider how competitive rivalry interplays with institutional pressure in adoption process. Drawing on a unique dataset in the context of the U.S. health and fitness mobile ecosystem in the Apple App Store, I conceptualize and empirically test how competitive rivalry shapes platform entrepreneurs' tendency to adopt innovation brought by the platform owner – that is, a rule-setter of the institution. I find that competition generally discourages adoption. More specifically, competition from peer rivals has an inverted U-shaped effect on adoption likelihood, and competition from the institutional rule-setter negatively affects adoption likelihood.

## Post-IPO Delisting and Scaling Challenge

David Gomulya, *Singapore Management University*  
 Eucman Lee, *Nanyang Technological University*

Going public is a significant milestone for a private firm. Unfortunately, the rate of post-IPO delisting has been increasing especially in more recent decades. Yet, how newly public firms may exacerbate their hazard of delisting remains unclear. Specifically, studies that examine firms' activities over time after IPO are limited. Using post-IPO Internet firms in early 2000s, we examine how and when the rate of post-IPO growth increases delisting hazard. Our analysis shows that the rate of scaling significantly increases the delisting hazard when firms operate in a two-sided market and previously receive investment from more VCs. We advance the literature by showing how post-IPO listing can be put at risk through managerial coordination challenges.

### SESSION 1040

#### CORPORATE GOVERNANCE AND THE UPPER ECHELONS

<b>TRACK M</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	16:00 – 17:15
<b>Common Ground</b>	<b>Room</b>	Studio G+H

**Session Facilitator:** Tazeeb Rajwani, *University of Essex*

## Carrot or Stick? Strategic Corporate Governance and the Incentivization of Attention to ESG Issues

Kevin Chuah, *London Business School*

When seeking to influence firms' behaviors, investors have a range of strategic alternatives for exerting pressure. This study proposes a behaviorally-grounded strategic view of corporate governance whereby intendedly rational investors make decisions based on the anticipated response from the targeted firm, compared to expected responses from investors' other alternatives. I operationalize the study by analyzing investors' strategic decisions relating to shareholder proposals. Investors' use of incentives for collaboration through dialogue—withdrawing shareholder proposals—produces more effective outcomes than the coerced enforcement of control—putting proposals to a vote. A key mechanism relates to investors' perceptions of firms' cognition of issue salience and the external legitimacy which investor activism signals. These findings suggest that investors can strategically channel firms' attention to substantively address the issues raised.



## A Stakeholder Theory of Corporate Governance

Pushpika Vishwanathan, *University of Amsterdam*

J W Stoelhorst, *University of Amsterdam*

We develop a stakeholder theory of corporate governance. This is done on the assumption that a firm is a team of multiple stakeholders that cooperate to create value. The objective of corporate governance is therefore to resolve collective action problems by increasing stakeholders' trust in the firm. We identify four key stakeholder groups that differ with respect to their contribution to joint value creation, as well as their vulnerability to the consequences of firm decisions. We also assert that there are two levels of governance: managerial and board governance. Accordingly, we develop propositions that outline the decision control rights and residual return rights of stakeholders in different levels of governance. Our study makes important contributions to both stakeholder theory and the corporate governance literature.

## Managerial Ties, Corporate Governance and Credit Rationing: Evidence from Ghana

Tahiru Azaaviele Liedong, *University of Bath*

Tazeeb Rajwani, *University of Essex*

Though managerial ties are substitutes for weak market-supporting institutions in emerging countries, little is known about the contingent value of these ties in credit markets. In this study, we examine the effect of political and financial ties on access to finance. We propose that due to flipping agency relationships between firms and politicians, political ties have a stronger effect than financial ties. We also propose that CEO duality consolidates power and information, and thus strengthens (weakens) the effect of financial ties (political ties) on access to finance. Using survey data from Ghana, we find support for our propositions. This study suggests that CEO duality is a double-edged sword which has positive and negative governance implications for credit rationing in relationship-based economies.

## Employees or Non-Employees: CSR Targets of Narcissistic CEOs

Lena Hong, *Singapore Management University*

Daniel Mack, *Singapore Management University*

Heli Wang, *Singapore Management University*

Narcissistic CEOs engage in CSR because of the admiration conferred to them. We posit that these CEOs will choose CSR actions based on the stakeholder groups they wish to attract that admiration from. Admiration from employees can easily be attained within the firm, given the CEO's top position in the firm, hence admiration-seeking narcissistic CEOs focus on CSR targeting the non-employee stakeholder groups that they have less praise from. We find support in our analyses of 200 S&P 1500 firms over the 2001-2009 period. Narcissistic CEOs with greater power do not further reduce the firm CSR targeting employees, but instead reduce CSR targeting non-employees. Moreover, when there are analyst upgrades, narcissistic CEOs are likely to engage in even less CSR targeting employees.

## CEO's Perceived Social Class and Employee-focused CSR: The Moderating Role of Marketization

Wenwen An, *Tianjin University of Technology*

Heng Liu, *Sun Yat-sen University*

Drawing on social cognitive theory and upper echelon theory and focusing on private enterprises from China, this study proposes that the CEO's perceived social class can influence a firm's conduct of employee-focused CSR (E-CSR) activities. Our empirical results show a negative association between CEO's perceived social class and E-CSR. Moreover, provincial marketization functions as a boundary condition that attenuates the negative main effect. Our study contributes to the literature by enriching our understanding of antecedents of E-CSR and highlighting the importance of marketization.

## Patterns of Corporate Giving Around CEO Turnover Events

Daniel Sands, *New York University*

Robert Salomon, *New York University*

Building from the long-standing debate over fundamental questions pertaining to the role of management and discretionary activities of the firm, we investigate how CEO turnovers affect corporate philanthropic giving. Using a dataset composed of 937 instances of million dollar gifts and 3,327 CEO turnovers within 29,982 firm-year observations between 2000 and 2013, we find that corporate giving is less likely to occur around a CEO turnover event. While we find a reduction in giving immediately preceding unforced CEO turnovers, there is no evidence that there is a reduction in corporate philanthropy immediately preceding forced CEO turnovers. Taken together, these results suggest that corporate philanthropy is not exclusively a stable organizational-level activity, but is also tied to idiosyncratic managerial discretion.

### SESSION 943

## PLATFORM STRATEGIES

<b>TRACK N</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Forum B

**Session Chair:** Dmitry Sharapov, *Imperial College London*

## Complementor Engagement in Platform Ecosystem Emergence: The Case of AppCampus

Laurens Vandeweghe, *Imperial College London*

Dmitry Sharapov, *Imperial College London*

Llewellyn Thomas, *LaSalle Universitat Ramon Llull*

Erkko Autio, *Imperial College London*

To grow a vibrant ecosystem around a novel platform, platform owners have to facilitate complementary innovation. Whereas extant scholarly research has looked at facilitation strategies related to platform pricing, architecture, and governance, practice points to the role played by the co-creation of complementary innovation between platform owners and external parties. Through a longitudinal single case study of AppCampus, a successful complementor program aimed at facilitating innovative mobile applications onto the Windows Phone platform, we identify the constituent processes of such complementor engagement, the tensions that delimit its effectiveness and how a complementor program can cope with these tensions. Our study thus shines new light on the facilitation of complementary innovation and has implications for the literatures on platform and innovation ecosystems and boundary organizations.

## Value Co-Creation and Capture in Platform Markets: Evidence from a Creative Industry

Carmelo Cennamo, *Bocconi University*

Yuan Gu, *Harvard University*

Feng Zhu, *Harvard University*

We study value co-creation and value capture between platform owners and content providers in creative industries, where novel content can go obsolete quickly. Using a difference-in-differences approach to address endogeneity, we find that in the US video game industry, when more first-party (i.e., console-released) blockbuster games appear in a genre, to take advantage of the demand expansion and success, third-party developers release a greater fraction in the same genre while reducing their game-developing efforts, especially high-quality developers. Such "free-riding" leads to an overall third-party quality decline in the genre. When the console releases blockbusters too often, third-parties' increased entry is deterred. We conclude that content providers could take advantage of industry characteristics when facing increased first-party competition to strategically free ride platform owners' value creation.

## Firm-Level Relational Attributes, Demand-Side Strategy, and the Performance of Knowledge-Based Supplier Firms

John Mawdsley, *HEC Paris*

Deepak Somaya, *University of Illinois at Urbana-Champaign*

Combining insights from the relational view and demand-side strategy, we examine how firm-level relational attributes affect knowledge-based supplier firm performance. Using longitudinal data on outsourced patent prosecution work between patent law firms (suppliers) and their clients, our results indicate that holding portfolios of more relationally embedded client ties diminishes supplier performance, and this performance decline is exacerbated as suppliers' knowledge increases in its specificity to existing clients. In contrast, the demand-side preferences of clients, in terms providing suppliers with greater relationship commitment, outsourcing a higher fraction of business, and having cross-market preferences for buying several services from the same supplier, attenuate the negative effect of relational ties. Finally, we show how greater supplier occupational knowledge also reduces the performance handicap of relational ties.

## Market Orchestrators: The Effect of Platform Certification on Complementor Performance and Behavior in Kiva (2010-2013)

Joost Rietveld, *Erasmus University Rotterdam*

Robert Seamans, *New York University*

Katia Meggiorin, *New York University*

Platforms in two-sided markets need to carefully balance the needs of customers on both sides of their markets. Complementor certification is one tool that platforms use. We study how a platform's use of complementor certification affects its complementors' behavior, particularly as pertains to the bundle of products offered by the complementors. We use a unique dataset of Kiva's micro-finance loans, to take advantage of a quasi-exogenous shock: Kiva's unexpected introduction of a certification program in late 2011. We show that Kiva's adoption of the certification program leads certified complements to reorient their portfolios due to demand-side and supply-side factors. We interpret our results to suggest that there are limits to the extent to which platforms are able to influence the behavior of their complementors.

### SESSION 1007

## DIRECTOR TURNOVER AND BOARD PROCESSES

<b>TRACK O</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Forum E

**Session Chair:** Michael Withers, *Texas A&M University*

## A Socio-Cognitive View of Board Effectiveness: A Grounded Theory Model

Steven Boivie, *Texas A&M University*

Michael Withers, *Texas A&M University*

Scott Graffin, *University of Georgia*

Kevin Corley, *Arizona State University*

Boards of directors remain an important research topic for strategic management scholars. Much of the research on boards is based on theories or empirical models that assume that the monitoring function underlies board effectiveness. Yet, recent research suggests that boards may lack the ability to effectively monitor managers on an ongoing basis. As such, it might be time to turn to broader models of board effectiveness that examine more than just board monitoring when determining the success of the board. In this study, we use a grounded theory approach to develop a socio-cognitive model of board effectiveness. We are working to integrate the information learned from extensive interviews with active directors and executives from a variety of public firms to better understand board effectiveness.



## Targets Have People, Too: Examining When Acquirers Retain Directors From Target Firms

Robert Campbell, *University of Georgia*

John Busenbark, *University of Georgia*

Steven Boivie, *Texas A&M University*

Scott Graffin, *University of Georgia*

Despite decades of acquisition research, scholars understand little regarding how the composition of the board of directors is affected post-acquisition. Given that the board of directors plays an integral role in corporate governance and organizational strategizing, our lack of understanding in this regard is problematic. To begin to resolve this oversight, we develop theory regarding which firms are more (or less) likely to retain a director from the target firm's board. Drawing on research suggesting the process of adding a director is viewed as a bargaining game, we theorize the decision to retain a director is based on the relative bargaining power of the acquiring and targets firms. We propose and find support for three indicators of relative bargaining power.

## The Media Coverage and Director Selection Study

Inn Hee Gee, *Texas A&M University*

This study will examine the effect of media coverage on director selection. Although prior director selection studies have examined the characteristics of newly appointed directors, we do not know much about how social information about a firm influences director selection. The effect of media coverage on director selection has not been theorized. Moreover, the long-term effect of media coverage on firms has also not been investigated. Using S&P 1500 firms' media coverage data over 10 years, the largest media coverage data compared with prior studies, this study will contribute to the director selection literature by examining the effect of media coverage. In addition, this study will explain a current interesting phenomenon: largest investors' pressure on board diversity.

## They Don't Feel the Love: Undervalued Directors, Effort and Departure

Karen Schnatterly, *University of Missouri*

Adam Yore, *University of Missouri*

Matthew Souther, *University of Missouri*

Directors value being on a board for a number of reasons. Compensation has been established in the literature as important to directors. However, many directors say they choose to join a board so that they can share their experiences and influence the firm. Directors compare themselves to other directors in both compensation and roles (eg chair of a committee); both with directors on the focal board and with directors at similarly-sized other firms. When directors conduct this relative evaluation, and find they are being either financially or positionally undervalued, they are likely to exit the board. Those that don't exit are likely to come to fewer meetings. Either occasion reduces skills and experience on the board, making it less effective.

SESSION 1009

UPPER ECHELONS RESEARCH

TRACK O	Date	Sunday, Sep 23
	Time	16:00 – 17:15
Common Ground	Room	Studio I+J

Session Facilitator: Andreas Koenig, *University of Passau*

**CEO Overconfidence and Real Options Investment**

Joonmahn Lee, *Korea University*

Jung Chul Park, *University of South Florida*

We argue that an overconfident cognitive bias will impede CEOs from effectively evaluating the magnitude of the uncertain environments and/or will make them overestimate their capability to perform under uncertainty, resulting in CEOs investing less in firm-level strategic flexibility. Hence, we predict that overconfident CEOs will invest less in real options than non-overconfident CEOs. We also predict that the relationship between overconfident CEOs and firms' real options intensity will be strengthened when market uncertainty is higher. We test our arguments using a sample of US public firms covering the 17-year period from 1997 to 2013. We find strong support across various tests that use multiple measures of overconfident CEO and real options intensity and control for potential selection issues and other endogeneity concerns.

**Family Ownership and Corporate Governance Transparency: Evidence from Taiwanese Firms**

Shuping Li, *Hong Kong Polytechnic University*

Jaegoo Lim, *Hong Kong Polytechnic University*

Carlos Lo, *Chinese University of Hong Kong*

Corporate governance literature stresses the importance of family ownership in affecting strategies and performance. However, limited attention has been paid to the impact of family ownership on corporate governance transparency, defined as the reduced information asymmetry between firm insiders and the external investors. We study the impact of family ownership on corporate governance transparency by arguing that family ownership has competing effects on transparency. Further, we argue the negative (positive) impact will become stronger (weaker) when family owners are overly entrenched in their firms. Longitudinal analysis based on 719 Taiwanese public firms from 2003 to 2011 finds strong supports for the positive impact of family ownership on corporate transparency. It also shows that the positive effect weakens when family is entrenched.

**General Counsel Prominence and Firm Engagement in Nonmarket Strategy**

Timothy Werner, *University of Texas at Austin*

Despite an over seven-fold increase in the presence of general counsels on the top management teams of S&P 1500 firms between 1994 and 2016, management scholars have barely explored the consequences of this shift. This paper explores whether when general counsels are among the top-five payees, firms increase their engagement in nonmarket strategy, as general counsels, given their legal training and organizational duties, may shift organizational attention to firms' nonmarket environments. Based upon an analysis of an eighteen-year panel dataset, the paper documents that firms with more prominent general counsels increase their annual campaign contribution and lobbying expenditure totals by 5-6 percent, on average; similar patterns also exist for the count of politicians to which these firms contribute, as well as their in-house lobbying expenditures.

**The Multifaceted Effect of CEO Age on Firm Social and Environmental Practices**

Miha Sajko, *University of Antwerp*

Christophe Boone, *University of Antwerp*

Georg Wernicke, *HEC Paris*

Why do CEOs differ in their values, and how is this heterogeneity reflected in firms' social and environmental practices (SEPs)? To answer this question, we build on the dual aspect of executive age to simultaneously examine how stable differences in values between executives and changes in values within executives over time affect firms' SEPs. On one hand, executives' concern for stakeholders changes with age as they advance through their careers and shift their priorities. On the other hand, age also reflects stable differences in values between adjacent birth cohorts who grew up in different historical periods. We integrate time-stable and time-variant perspectives on executives' values to study how age simultaneously determines which SEPs initiatives CEOs prioritize and the extent to which CEOs invest in SEPs.

**Situational Antecedents of CEOs' Intrapersonal Variables: The Case of Regulatory Focus**

Lorenz Graf-Vlachy, *University of Passau*

Franz Xaver Völkl, *University of Passau*

Nadine Kammerlander, *WHU Otto Beisheim School of Management*

Most management research treats CEOs' intrapersonal variables such as personality traits or motivations as time-invariant, using them to predict firm-level consequences. Drawing on the psychology literature, we suggest that intrapersonal variables exhibit substantial variance over time and depend on the situational context. Consequently, we need to study their situational antecedents to maximize our ability to explain variance in firm-level outcomes. We select CEO regulatory focus as an example and invoke theory on CEO dismissal and personal aspirations to hypothesize that regulatory focus is systematically influenced by relative firm performance, and that this relationship is moderated by CEO tenure. We find considerable support for our hypotheses in a sample of large U.S. companies.

**Time for Future is Now: CEO Temporal Focus and Firms' Interpretation of Grand Challenges**

Kerstin Fehre, *Vlerick Business School*

Jana Oehmichen, *University of Groningen*

Bettina Widmann, *Karlsruhe Institute of Technology*

This study examines how CEO temporal focus – the extent to which CEOs devote their attention to the past, present, and future – shapes firms' interpretation of the grand challenge water scarcity. We propose that CEO temporal focus influences interpretations of water scarcity either as threat or as opportunity. Using a panel data set of German firms, we find support for our three hypotheses: CEOs who are high in present focus tend to interpret water scarcity as threat. However, to tackle water scarcity, in terms of interpreting water scarcity as opportunity, they need to be future-oriented. Further, future-oriented CEOs shy away from interpreting water scarcity as a pure threat. These findings contribute to the literature on strategic implications of CEOs' subjective view of time.



## SESSION 1080

**REVISITING BEHAVIORAL FOUNDATIONS OF STRATEGY IN A DIGITAL CONTEXT**

<b>TRACK P</b>	<b>Date</b>	Sunday, Sep 23
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Forum F

**Session Chair:** Brent Clark, *University of Nebraska, Omaha*

**Metaheuristic Capability: Behavioral Strategy in a Digital World**

Peter Bryant, *IE Business School*

By exploiting digital technologies, organizations can learn more about their environment, competitors, stakeholders and operations. Yet this trend poses challenges: how to adapt strategic processes and behaviors to absorb digital capabilities, use them effectively, and avoid infection by persistent biases. Indeed, humans remain limited in cognitive resources and calculative capabilities. Yet at the same time, they must interact with advancing digital technologies. The combination of natural and artificial intelligence therefore presents strategic challenges and opportunities, especially for metacognition, that is, for the executive monitoring and regulation of cognition. I explain how strategy in the age of digitization will critically depend on a species of metacognition called metaheuristic capability, defined as the selection of appropriate problem solving methods and logics based on limited information.

**On Perceived and True Uncertainty: Toward an Epistemic Dualism**

Mark Packard, *University of Nevada, Reno*

Ryan Angus, *University of Utah*

Brent Clark, *University of Nebraska, Omaha*

Recent research suggests that perceived and archival measures of uncertainty may represent distinct constructs. This discovery is problematic for traditional, empiricist management meta-theory, which supposes that differences between the two measures should result from perception or measurement errors only. We consider a meta-theoretical shift toward an epistemic dualism—an epistemology that posits both empirical (external) and imaginative (internal) sources of knowledge which allows us to account for both perceived and true (measured as archival) uncertainty constructs as theoretically distinct. Perceived uncertainty is causally efficacious within the sphere of individual behavior, having causal influence on actions and efforts. True uncertainty, in contrast, relates primary to reality and its outcomes. We find strong empirical support for these suppositions in the realm of app development.

**From Hierarchy to Self-Managing Organization: How Unmoored Managers Cope with Transformation of Organizational Form**

Eleu Ellinger, *ESADE Business School*

Michael Lee, *Harvard University*

Self-management has become an attractive option in the range of available organizational structures for companies seeking innovative and entrepreneurial outcomes. Thus, some firms existing previously as hierarchies are converting to more non-hierarchical structures whose core tenet is self-management. A yet unanswered question in the literature is: How do managers, as a significantly impacted category of organizational actors, cope with this organizational transformation to self-management? We conducted an exploratory case study in a large US-based IT firm undergoing such transformation. Our preliminary results reveal a range of emergent behaviors of managers “unmoored” by the organization’s conversion to self-management. We detail these emergent behaviors and build a temporal process model. Our findings have implications for researchers investigating self-management phenomenon and practitioners seeking effective self-management implementation.

**Augmented Management: From a Contingency to a Complementary View of Artificial Intelligence**

Sebastian Krakowski, *University of Geneva*

Sebastian Raisch, *University of Geneva*

Current developments suggest that artificial intelligence (AI) will be the most important change agent in the 21st century. In this essay, we review three recent books to develop a perspective on how AI impacts management and society at large. We analyze the evolving human-machine relationship along three dimensions—economic, socio-psychological, and ethical. We argue that in our lifetimes, machines cannot replace, but only complement humans in complex managerial tasks. The outcome of machine augmentation depends on how humans and machines interact. We conceptualize “augmented management” as the complementary interaction between humans and machines that helps organizations better address complex tasks than humans or machines alone. Our novel perspective challenges widely held assumptions in organization and management theory and opens up avenues for future research.



INTEREST GROUP AND COMMUNITY BUSINESS MEETINGS      DATE    SUNDAY, SEPTEMBER 23      TIME    17:30

COMPETITIVE STRATEGY

TRACK E      Studio A

**Chairperson:**  
Vikas Aggarwal, *INSEAD*  
**Program Chair:**  
Emilie Feldman, *University of Pennsylvania*  
**Associate Program Chair:**  
PuayKhoon Toh, *University of Texas at Austin*

CORPORATE STRATEGY

TRACK F      Forum G+H

**Chairperson:**  
Caterina Moschieri, *IE Business School*  
**Program Chair:**  
Guoli Chen, *INSEAD*  
**Associate Program Chair:**  
Mario Schijven, *University of Illinois at Urbana-Champaign*

GLOBAL STRATEGY

TRACK G      Offsite

**Chairperson:**  
Randi Lunnan, *BI Norwegian Business School*  
**Program Chair:**  
Liena Kano, *University of Calgary*  
**Associate Program Chair:**  
Felipe Monteiro, *INSEAD*

STRATEGY PROCESS

TRACK H      Forum A

**Chairperson:**  
Dries Faems, *WHU Otto Beisheim School of Management*  
**Program Chair:**  
Jorge Walter, *George Washington University*  
**Associate Program Chair:**  
Frances Fabian, *University of Memphis*

KNOWLEDGE AND INNOVATION

TRACK I      Studio F

**Chairperson:**  
Lourdes Sosa, *London School of Economics and Political Science*  
**Program Chair:**  
Marie Louise Mors, *Copenhagen Business School*  
**Associate Program Chair:**  
Elena Novelli, *City, University of London*

STRATEGY PRACTICE

TRACK J      Studio G+H

**Chairperson:**  
George Tovstiga, *EDHEC Business School*  
**Program Chair:**  
Krsto Pandza, *University of Leeds*  
**Associate Program Chair:**  
Shenghui Ma, *University of Zurich*

ENTREPRENEURSHIP AND STRATEGY

TRACK K      Studio D

**Chairperson:**  
Justin Webb, *University of North Carolina at Charlotte*  
**Program Chair:**  
Balagopal Vissa, *INSEAD*  
**Associate Program Chair:**  
Aseem Kaul, *University of Minnesota*

STRATEGIC HUMAN CAPITAL

TRACK L      Forum E

**Chairperson:**  
Thomas P. Moliterno, *University of Massachusetts, Amherst*  
**Program Chair:**  
Rebecca Kehoe, *Rutgers University*  
**Associate Program Chair:**  
David Kryscynski, *Brigham Young University*

STAKEHOLDER STRATEGY

TRACK M      Forum I+J

**Chairperson:**  
Flore Bridoux, *University of Amsterdam*  
**Program Chair:**  
Jonathan Bundy, *Arizona State University*  
**Associate Program Chair:**  
Olga Hawn, *University of North Carolina at Chapel Hill*

COOPERATIVE STRATEGIES

TRACK N      Studio B

**Chairperson:**  
Janet Bercovitz, *University of Colorado, Boulder*  
**Program Chair:**  
Giovanni Battista Dagnino, *University of Rome LUMSA*  
**Associate Program Chair:**  
Isin Guler, *University of North Carolina at Chapel Hill*

STRATEGIC LEADERSHIP AND GOVERNANCE

TRACK O      Forum B+C

**Chairperson:**  
Cynthia Devers, *Texas A&M University*  
**Program Chair:**  
Scott Graffin, *University of Georgia*  
**Associate Program Chair:**  
Christine Shrophshire, *Arizona State University*

BEHAVIORAL STRATEGY

TRACK P      Studio E

**Chairperson:**  
Violina Rindova, *University of Southern California*  
**Program Chair:**  
William Ocasio, *Northwestern University*  
**Associate Program Chair:**  
Nicolai Foss, *Bocconi University*

RESEARCH METHODS COMMUNITY

TRACK R      Forum F

**Chairperson:**  
Karen Schnatterly, *University of Missouri*  
**Program Chair:**  
Trevis Certo, *Arizona State University*  
**Associate Program Chair:**  
Andreas Schwab, *Iowa State University*

TEACHING COMMUNITY

TRACK T      Studio I+J

**Chairperson:**  
Paulo Prochno, *University of Maryland*  
**Program Chair:**  
Patricia Gorman, *Ohio State University*  
**Associate Program Chair:**  
Ronaldo Parente, *Florida International University*

SMS BUSINESS MEETING

**Date**    Sunday, September 23  
**Time**    18:45 – 19:30  
**Room**    Scene BC

Business Meeting

Russell Coff, *President*  
Javier Gimeno, *President-Elect*  
Marjorie Lyles, *Past-President*  
Tomi Laamanen, *Treasurer*  
Nikolaus Pelka, *Executive Director*



## SESSION 1012

**CAUGHT IN THE GEOPOLITICAL STORM**

<b>TRACK A</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Scene G+H

**Session Chair:** Elisa Alvarez-Garrido, *University of South Carolina*

### Reviving Liability of Foreignness: How Geopolitical Conflicts Impact Host Country Perceptions of Multinational Companies

May-Anne Very, *INSEAD*

The global rise of populism has stimulated geopolitical conflicts, both verbal and material. We examine the impact of such geopolitical conflicts on host country perceptions of multinational companies. We argue that geopolitical conflicts between home and host country foster negative perceptions of multinational companies in the host country; hence reviving liability of foreignness. We further predict that corporate social responsibility mitigates this negative impact. We test these predictions on a sample of Fortune 500 multinationals between 2008 and 2016, using social media and event data.

### European Startup Ecosystems at the Dawn of Brexit: Exploring The Onset of a De-globalization Process

Elisa Alvarez-Garrido, *University of South Carolina*

After decades of increasing globalization, the United Kingdom is the first major economy to raise borders, providing international business and strategy scholars with a unique opportunity to study the recent de-globalization process. I delve into the sources of uncertainty Brexit creates, and explore how the actors in the startup ecosystems in the UK and in the EU analyze the (lack of) information available, and make decisions under these conditions of uncertainty. I conduct interviews with venture capitalists and experts in finance in the UK, France, and Spain. I find that even at Brexit's onset there is heightened uncertainty regarding the factors of production in the ecosystem, and that actors with a more global strategy are in a better position than those with more local strategy

### Navigating De-Globalisation: An Historical Perspective of Firm Responses to Institutional Restructuring

Kieran Conroy, *Queen's University Belfast*

Michael Aldous, *Queen's University Belfast*

Incorporating a business history lens, this study provides early stage insights on how firms respond to conflicting institutional logics during a protracted period of de-globalisation. Drawing on archival data in the form of a longitudinal analysis of British firms in India during the 20th century, we identify three epochs, characterised by dominant institutional logics that generated a typology of firm responses. Navigating intense conditions of de-globalisation, British firms developed responses that varied from reactive adaptation, in the form of managed exit, and compliance, to proactive strategic agency through negotiation with local stakeholders. The paper answers calls for greater integration between international business and business history perspectives in order to develop a holistic appreciation of how de-globalisation affects the dynamic interaction between firms and institutional stakeholders.

### De-Globalization and the Liability of Foreignness in Doing Business

Simon Hartmann, *WU Vienna*

The paper discusses the importance of globalization on the business environment of foreign firms in their host countries. Using globalization indicators and firm level panel data, we exploit recent globalization / de-globalization episodes in Eastern European and Central Asian (ECA) countries to investigate, how changes in political and economic globalization do interfere with costs of doing business of foreign firm

compared to their local counterparts. We evaluate this "liability of foreignness" (LOF) and find expansion of globalization in general reduces disadvantage of foreign firm in fairness of courts, corruption and the taxation, and for economic globalization economic in particular indicate advantages in trade for foreign over local firms. We find no significant difference for business licensing, and dealing with public officials.

## SESSION 1115

**COMPETING WITH DIGITAL**

<b>TRACK B</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Studio F

**Session Chair:** Richard Tee, *LUISS Guido Carli University*

### Navigating the Nascent Stages of Digital Ecosystems through Architectural Entrepreneurship

Richard Tee, *LUISS Guido Carli University*

Jason Woodard, *Olin College of Engineering*

Ben Eaton, *University of Surrey*

While a growing body of scholarship has explored the structure and dynamics of digital ecosystems, the forces that shape such ecosystems in the nascent stages of their development remain largely opaque. Based on a study of cloud computing platforms, we analyze the processes by which firms influence the architecture of the digital ecosystem in which they operate. Our case evidence reveals the importance of a distinct set of orchestrating processes that are fundamentally entrepreneurial in the sense that they enable firms to pursue opportunities to shape the architecture of their ecosystem. We develop the concept of architectural entrepreneurship to explain how these processes are interrelated, and apply it to understand how firms can shape their digital ecosystem's architecture in pursuit of strategic advantage.

### Defensive Strategies in Platform Markets: David against Goliath in the Russian Technology Market

Alexander Chekanov, *ESADE Business School*

Luis Vives, *ESADE Business School*

How can platform pioneers defend their position against larger international rivals in local markets? Previous research has studied the impact of network effects and switching costs in platform markets, explaining why and how larger platforms are able to displace original market leaders. However, we found a lack of research and evidence on the strategies being used to defend market leadership by smaller, local players. This paper aims to shed light on this phenomenon through a longitudinal, inductive case study of Yandex, the Russian Search and Technology company. Our findings suggest that pioneers can hold their position when challenged by late entrants through a bundling strategy, increasing the network density between platform's core and complementary goods.

### Drivers of Adoption of Digital Innovations: The Case of Mobile Money

Lite Nartey, *University of South Carolina*

An important means to create social value and change the fortunes of the 4 billion poor at the bottom-of-the-pyramid while symbiotically creating financial value for firms, is through the creation of technological innovations that create new markets for these individuals. However, even with tailor-made innovations which have worked in other countries, if the actors in a new market do not adopt the innovation, the means of the firm to create social and financial value is limited. Using the emergent mobile money industry in Ghana, I explore the question of knowledge and trust as key drivers of the adoption of mobile money technology by BOP actors. I use a novel hand-coded database created from 2,250 surveys conducted in the poor urban areas in Accra.



Social Media and Firm Value: An Exploratory Study of the Dieselgate Scandal

Julien Jourdan, *Paris-Dauphine University*  
Ju Qiu, *Paris-Dauphine University*  
Svitlana Galeshchuk, *Paris-Dauphine University*

Strategy scholars have been increasingly interested in the influence the media, as stakeholders, have on the corporate world. Notwithstanding their increasing prominence in society, the role of social media however has only started to be investigated. In this study, we explore the extent to which Twitter usage may independently affect firm value in the context of a major corporate scandal. Using an exhaustive data set of 1.2m tweets published before and during the Dieselgate scandal, we find (preliminary) evidence of an independent effect of Twitter usage on abnormal stock returns, suggesting that what happened on Twitter during the course of the scandal might have had an influence on the market value of the largest firms in the industry.

SESSION 988  
PLATFORMS

TRACK E	Date	Monday, Sep 24
	Time	08:00 – 09:15
Common Ground	Room	Studio A

Session Facilitator: Robert Seamans, *New York University*

Creating Value through Complexity: Partial Compatibility as a Sustaining Strategy in Japan’s IC Payment System

Masaharu Tsujimoto, *Tokyo Institute of Technology*  
Fredrik Hacklin, *ETH Zurich*

Amid a variety of concepts focusing on platforms ecosystems, the question of how to capitalize on a platform from the perspective of a focal firm—the platform leverage—remains a key question. This study proposes the notion of partial compatibility as a novel mechanism of platform leverage. Partial compatibility consists of intra-platform envelopment and platform involvement by connecting with the different platforms owned by complementors. We argue that partial compatibility enables the follower to establish a sustainable competitive advantage, even though the install base might be smaller. We investigate the case of the FeliCa-based contactless integrated circuit payment system in Japan. Our empirical analysis is based on a longitudinal historical dataset from 1988 to 2017 and interviews with 29 executives involved in the ecosystem.

Cross-Platform Complementors: Effects of Complementors’ Entry into Competing Platforms on Complements’ Adoption

Wei Yang, *University of Texas at Austin*  
Francisco Polidoro, *University of Texas at Austin*

While complementors are crucial to platform-based technology competition, how complementors themselves are influenced by such inter-platform competition is rarely explored. This study examines how entry into competing platforms affects complementor performance on the original platform. We argue that, rather than substituting its own complements across platforms, a complementor’s entry into competing platforms increases adoption of its current complements on the original platform, as it triggers changes of within-platform interdependencies. Moreover, such effect is stronger for highly embedded complementors with low user platform stickiness. We test the hypotheses using data of 2 million software technologies on 36 open-source software platforms. In contrast with existing research that focuses on a single platform, this study highlights the role of inter-platform competition in shaping the heterogeneity of complementor performance.

Platform Multihoming and Complementor Performance: Antecedents and Consequences

Vijayaraghavan Venkataraman, *Georgia Institute of Technology*  
Marco Ceccagnoli, *Georgia Institute of Technology*  
Chris Forman, *Cornell University*

In this paper, we focus on the complementor firms within platform ecosystems and try to understand the consequences of their strategies. We build a theory that relates a complementor’s multihoming strategy and its performance and test it on micro-level data from the ERP platform ecosystem. We find that multihoming in itself does not have a significant impact on differential complementor performance. We show that this could be due to selection into multihoming by relatively low performing complementors. Also, complementors specialized in terms of human capital tend to be worse off than others post multihoming while co-investment by platform owner helps in achieving superior complementor performance. We contribute toward the literature on platform ecosystems as well as the broader area of strategy micro-foundations.

Smart Timing for Smart Products? Complementor Multihoming in Nascent Platform Markets

Senem Aydin, *Northeastern University*  
Fernando Suarez, *Northeastern University*  
Yakov Bart, *Northeastern University*  
Dirk Libaers, *University of South Florida*

Complementor multihoming is becoming pervasive in platform-mediated markets populated by multiple platforms. In a study of the nascent ‘smart home’ industry, we use a novel dataset to examine the complementor strategies regarding timing of entry and timing of multihoming, with corresponding performance implications. We find that early entrants to a platform market multihome faster than later entrants. While early entrants have lower performance than later entrants, this negative performance effect is mitigated for complementors that are fast to multihome. Multihoming can be viewed as an effective hedging strategy for early entrants in markets characterized by high uncertainty. The more a complementor multihomes (i.e. multihoming scope), the shorter the time to the next platform adoption and, in turn, multihoming scope is correlated with higher complementor performance.

Deterring the New, Motivating the Established—The Divergent Effect of Platform Competition on Member Contributions

Abhishek Nagaraj, *University of California, Berkeley*  
Henning Piezunka, *INSEAD*

While popular platforms developed by knowledge-producing communities co-exist and compete with alternatives, we understand little about how such competition affects those communities. We develop a theory where competition has a divergent effect on community members’ contribution—it deters potential new members from joining the community and contributing, but motivates established members to increase their contributions. To test this theory, we examine how community members’ contributions to OpenStreetMap changed following the competitive entry of Google Maps and find support for our theory. We discuss the implications for research on contributions to knowledge-producing communities, platform competition, and the effect of competition on organizations.

## Responding to an Innovation Shock: Platform Markets, Human Capital, and Comparative Adjustment Costs

Lyda Bigelow, *University of Utah*

Nicholas Argyres, *Washington University in St. Louis*

Jackson Nickerson, *Washington University in St. Louis*

Hakan Ozalp, *University of Leeds*

Recent work on innovation shocks (Argyres et al, 2015; Argyres et al., 2017) shows that competition in industries may radically change owing to a single innovation, a fundamental insight not explained with theories of industry evolution such as the role of dominant designs. In the wake of such shocks, this new perspective highlights the importance of comparative adjustment costs for incumbent firms' ability to respond. Our proposal extends this work by examining the responses of firms in a platform market. Further, we provide a first empirical test of how the knowledge and capabilities embedded in human capital may contribute to total comparative adjustment costs. Using longitudinal data on the video-game industry we find that both firm- and individual-level factors determine incumbent response to the shock.

### SESSION 981

#### CORPORATE SCOPE

<b>TRACK E/F</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Forum G+H
<b>Session Chair:</b>	Elena Novelli, <i>City, University of London</i>	

## Why Do Firms Divest Their Legacy Business?

Yang Ding, *Tilburg University*

This paper investigates firms' decision to divest their legacy business. Drawing upon insights derived from Evolutionary Economics, we argue that the routines housed in a firm's legacy business may constrain its adaptation to the changing environment. Thus, legacy divestitures may allow the firm to unleash the resources in the retained businesses for a better use and develop the competences required by the new environment. Data on 262 US corporations shows a positive relationship between growth levels of firms' primary industry and the likelihood of legacy divestitures. We also find that firm-specific characteristics such as low past performance, high innovation investment, and reconfiguration experiences foster legacy divestitures. We contribute to the divestiture literature and extend research on how firms may unleash productive resources.

## The Impact of M&As on the Service Quality of Competitors in the U.S. Airline Industry

Jennifer Tae, *Temple University*

Min-Seok Pang, *Temple University*

We study the effect of horizontal mergers on competitor service quality in the presence of shared resources. We theorize that the impact of a merger changes over time and is moderated by the changes to the shared resource. We examine these questions using data from the U.S. airline industry, leveraging three recent mergers. Competitors' flights which originated from, or were inbound to, a hub of a newly merged firm experienced opposite changes in service quality over time. Quality improved immediately following the merger, but deteriorated over time. We also find that this effect is strongly moderated by the regulator-mandated changes to the shared resource. This study enhances our understanding of implications of mergers on competitors by examining the temporality and the role of shared resources.

## Capability-Enhancing Foreign Investments and Evolution of Corporate-Scope in Software-Services: Market-Reactions and Implications for Competitive Advantage

Joydeep Chatterjee, *University of Washington Bothell*

Harbir Singh, *University of Pennsylvania*

We study evolution of firm capabilities and scope by examining the stock-returns to strategic investments of focal firms and their rivals in the software-services industry. Interpreting these returns we argue that foreign investments to access high value-added capabilities (such as software-architectural skills), are more challenging compared to investments to deploy low value-added capabilities (such as software-implementation skills). We find that cross-border capability-enhancing moves positively affect stock-returns of focal firms irrespective of the direction of movement (high or low value-added segment) along the global value-chain. In contrast, for their rivals, such announcements have a deleterious effect on their stock-returns unless the rivals are proficient in high value-added capabilities. Qualitative assessment of analyst-reports provides additional insight into the context and motivations of these corporate investments.

## Firm Scale and Scope and New Knowledge Connections in the Technological Space

Elena Novelli, *City, University of London*

Giovanni Valentini, *IESE Business School*

We study the extent to which different organizational characteristics – and in particular upstream and downstream scale and scope – affect firms' ability to recognize and use novel knowledge combinations. In particular, we focus on firms' technological inventions and explore the mechanisms that are more likely to lead to the establishment a new connection of a focal piece of knowledge with an additional technological domain. We characterize novel connections observing patent citations in technological classes that do not overlap with a patent's original technological classification. This line of inquiry has important implications for our understanding of firms' innovation strategy and more broadly of the diffusion of knowledge across technological domains.

### SESSION 1066

#### CORPORATE VENTURE CAPITAL

<b>TRACK F/K</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	08:00 – 09:15
<b>Common Ground</b>	<b>Room</b>	Studio B

**Session Facilitator:** Gary Dushnitsky, *London Business School*

## Corporate Venture Capital – A Meta-Analysis of Performance Coherences

Daniel Fischer, *Leibniz University of Hannover*

Christiana Weber, *Leibniz University Hannover*

Christopher Schlaegel, *Maastricht University*

Corporate Venture Capital (CVC) is increasingly substantial for strategic innovation management. However, there is still mixed evidence when it comes to the performance of CVC programs. A major challenge in CVC research is the small number of empirical CVC publications that measure and conceptualize variables identically. This heterogeneity of measures makes it difficult to reconcile and accumulate mixed evidence about CVC program performance. With our meta-analysis at an early stage of CVC research we provide a structured and systematic overview on quantitative empirical studies analyzing performance relationships with identical measures. Additionally, we provide evidence that the different antecedents of performance outcomes will impact the CVC-program levels differently. Those program levels are namely the performance of the CVC unit, the corporate parent, and the start-ups.



Corporate Venture Capital Performance: A Meta-Analysis

Peiyuan Huang, *University of Pittsburgh*  
Ravi Madhavan, *University of Pittsburgh*

Given the increasing number of studies and divergent results on corporate venture capital (CVC) performance, we conduct a meta-analysis of 41 studies to quantitatively summarize the performance outcomes of CVC. Initial results indicate that, across studies, CVC performance is positive: the investing corporation receives financial as well as strategic rewards, and the entrepreneurial firm also benefits. At the same time, the results point to substantial likely moderating effects that should be explored further. Apart from the quantitative synthesis of an important and growing field, our analysis lays the groundwork for further investigation into intriguing theoretical nuances such as possible tradeoffs between financial and strategic objectives, or between corporate investor performance and entrepreneurial performance.

Two Sides of the Same Coin: Transferability, Appropriability and External Corporate Venturing

Christopher Albert Sabel, *BI Norwegian Business School*  
Amir Sasson, *BI Norwegian Business School*

Established firms of all sizes increasingly found corporate ventures outside their organizational structures and infuse them with resources. Empirical results are inconsistent for venturing performance, calling for a dyadic parent-venture view. The paper takes a resource-based theory perspective to analyze the relationship between equity and human capital transfers from parent to venture and the transfers' implications for performance on both sides of the dyad. This complements extant venture research by opening the currently omitted disaggregation of resource transferability and appropriability and answers the call to study the performance effects on both the venture and the parent. We utilize a unique micro dataset that allows us to track any equity and human capital transfer between parents and ventures in the context of Norwegian firms from 2005-2015.

Organizing Innovation in High-Tech Ventures: CVC Financing and Patent Sales

Francesco Di Lorenzo, *Copenhagen Business School*  
Wolfgang Sofka, *Copenhagen Business School*

Patents are important strategic assets for high-tech ventures. Yet, many patents are sold because ventures lack complementary assets for commercializing them. We investigate how corporate venture capital (CVC) investments affect the likelihood of ventures selling patents. We predict that CVC investments lower the likelihood for patent sales of ventures and affect patents heterogeneously. Effects are stronger for patented technologies in which the venture is specialized. We test and support these predictions utilizing 12,024 patents from 1,679 US new ventures in Life Science and ICT industries active from 2004 and 2009. Our findings have implications for explaining the supply on markets for technology as well as technology management in CVC-backed ventures.

You Can't Have Your Cake And Eat It Too: Performance Trade-Offs In Corporate Venturing

Jitse Duijsters, *Erasmus University Rotterdam*  
Vareska Van de Vrande, *Erasmus University Rotterdam*  
Justin Jansen, *Erasmus University Rotterdam*

It is generally assumed that corporate venturing has a positive effect on both financial and innovation performance. However, the degree to which these outcomes are achieved is dependent on a number of potentially incommensurable portfolio strategies. We argue that as corporate venturing portfolio strategies yield conflicting outcomes on different performance indicators, enacting these strategies invokes a trade-off between increasing financial performance and enhancing innovation performance. We hypothesize that portfolio diversity, venture autonomy, and venture relatedness mediate the relationship between corporate venturing and firm-level outcomes, but differently so for financial and innovation performance. We therefore conclude that we should view

the performance effects of corporate venturing portfolio strategies as separate and potentially conflicting relationships rather than as a single coherent phenomenon.

SESSION 897  
INTERNATIONAL STRATEGIC ALLIANCE RESEARCH IN THE SPOTLIGHT OF MEGATRENDS AND MICROFOUNDATIONS

TRACK G	Date	Monday, Sep 24
	Time	08:00 – 09:15
Parallel Panel	Room	Auditorium

Session Chairs  
Michael Nippa, *Free University of Bozen-Bolzano*  
Alain Verbeke, *University of Calgary*

Panelists  
Africa Ariño, *IESE Business School*  
Seok Woo Kwon, *University of Calgary*  
Dovev Lavie, *Bocconi University*  
Marjorie Lyles, *Indiana University*

Strategic alliance at large and particularly International Strategic Alliances (ISAs) have been studied by management scholars for decades, giving the impression that this field has matured. This panel challenges this interpretation and assesses the prospects of future research on ISAs by referring to important trends that will significantly alter the institutional and contextual conditions for such alliances in the future as well as to the call for exploring the microfoundations in strategic management research. The objectives of the panel are to highlight and to discuss future research opportunities on ISAs by building on the broad and detailed knowledge of scholars who have published seminal studies in this important field of strategic management and their ideas for future developments and remaining challenges.

SESSION 1136  
MOBILITY, SKILLS, AND INNOVATION

TRACK I	Date	Monday, Sep 24
	Time	08:00 – 09:15
Paper	Room	Forum I+J

Session Chair: Kristina Vaarst Andersen, *University of Southern Denmark*

Project Types and the Benefit of Professional Experience Abroad for Creative Innovation

Kristina Vaarst Andersen, *University of Southern Denmark*  
The proposal tests project characteristics as a boundary condition for the notion that diverse knowledge benefits innovative outcomes. Utilizing longitudinal data from the film industry, the analysis exploits two sources of variation, namely that films serve different target markets and as a consequence face different levels of constraints regarding production process and outcome, and that approximately half of the studied professionals have professional experience abroad. Using a matched sample of professionals with and without professional experience abroad the analysis shows that professional experience abroad increases professionals' likelihood of creative innovation, but only when they contribute to projects with a low level of constraints. These findings extend our understanding of the costs and benefits of individual professionals' experience abroad.



## A Signaling Perspective on Employee Mobility

Kun Zhang, *University of Colorado, Boulder*

Jeffrey Reuer, *University of Colorado, Boulder*

Francisco Morales, *University of Colorado, Boulder*

Scholars have identified many benefits for new ventures to employ signals to access resources in financial and partner selection factor markets. However, scholars have not explored the inventor labor market from a signaling perspective. This paper investigates inventor mobility across biopharmaceutical startups and examines the effects of two signal variables, VC prominence and alliance network prominence. We suggest they provide a higher level of comfort and assurance in the presence of information asymmetry, thereby enabling new ventures to have better access to the labor market. We further point to a potential downside of signaling in out-bound inventor mobility. Empirical evidence show that new ventures benefit from these signals to attract inventors to join the firm, but they may also risk losing existing human capital.

## Do Firms Learn When Their Inventors Exit? Understanding Knowledge Flows After Inventor Exit

Mayank Varshney, *National University of Singapore*

Amit Jain, *National University of Singapore*

Organizational learning scholarship suggests that employee exit leads to knowledge loss and to lower performance of a firm. What has been under-investigated is whether exit has some beneficial effects as well. We find in the semiconductor industry that a firm is unlikely to build upon the knowledge of another firm if they are technologically distant and if each of them have less prior research experience. Exit, however, makes a firm aware of the recruiting firm, leading it to build more upon the latter's knowledge. Exit particularly leads to learning when firms are technologically distant from one another and have low prior research experience. Employee exit thus benefits a firm as it learns about aspects of the environment and from knowledge flows from the recruiting firm.

## Horizontal and Vertical Skills: Increasing Success Rates in Clinical Trials

Carolyn Haeussler, *University of Passau*

Anne Assmus, *Artisan Healthcare Consulting*

Turning basic research discoveries into marketable products is a major challenge requiring individuals to possess a specific skill set. Among these skills, the ability to “translate”, especially between basic and applied research is likely to be key. We term skills in basic and applied research as “horizontal” while skills in diverse fields are termed “vertical”. Drawing on data from 3,927 clinical trials in the pharmaceutical industry, we found that the likelihood of success increases when the investigators who lead these trials have horizontal skills. Investigators who exhibit vertical skills were found to reduce the success, alleviated only if combined with basic research skills. We also found that trials run by teams with at least one investigator with horizontal or vertical skills are more successful.

### SESSION 1027

## INTER- AND INTRA-ORGANIZATIONAL KNOWLEDGE TRANSFER AND INNOVATION

<b>TRACK I</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	08:00 – 09:15
<b>Common Ground</b>	<b>Room</b>	Studio E

**Session Facilitator:** Corey Phelps, *McGill University*

## Firms' Spinouts as Means to Capture Competitors' Knowledge

Bruno Cirillo, *SKEMA Business School*

Valentina Fani, *University of Lausanne*

Gianluigi Giustiziero, *SKEMA Business School*

Conventional wisdom associates competitors' investments into a firm's spinouts to knowledge leakages and intellectual property misappropriation.

Drawing on the literature on spillins and creative construction, we suggest that parent firms can increase knowledge inflows from competing firms through their spinouts. We posit that these inflows are likely to outweigh the outflows, suggesting that the competitors' access to spinouts' knowledge can provide parent firms with learning opportunities that compensate the costs of knowledge and human capital loss. In a longitudinal study of the leading 96 U.S. firms operating in the ICT industry, we found that competitors' investments into spinouts are associated with an increase in knowledge inflows to the parent firm that is higher than the increase in knowledge outflows to competitors.

## ★ Knowledge Spill-Ins as Double-Edged Sword: How Knowledge Spill-Ins by Originating Firms Affect Entrepreneurial Recipients

Sangchan Park, *KAIST*

Sang-Joon Kim, *Ewha Womans University*

Seungho Choi, *Ewha Womans University*

We developed theoretical arguments to examine how the re-absorption of spilled knowledge by originating firms affect entrepreneurial recipients. We found that knowledge spill-ins of originating firms delayed the IPO of entrepreneurial knowledge recipients. Although entrepreneurial firms create innovations by leveraging other firm's knowledge (e.g., knowledge spill-over), their new innovation also provides an opportunity for originating firms to leverage their knowledge (knowledge spill-ins). This study shows that the knowledge spill-ins by originating firms deplete innovation opportunities potentially available for new ventures and it delays the IPO of entrepreneurial firms. In other words, knowledge leveraging external knowledge should be considered as double-edged sword to entrepreneurial firms. Entrepreneurial firms should consider the benefits of knowledge spill-over and costs of knowledge spill-ins in their innovation activities.

## Making it Through the System: The Internal Transfer Process of External Knowledge

Benoit Decreton, *WU Vienna*

Felipe Monteiro, *INSEAD*

Firms have to search for and integrate external knowledge to remain competitive. Thus, some established firms partner with startups to use their knowledge and develop new products and services. Yet, we still know little about the activities that are performed by the various parties in the different stages of the transfer process from knowledge search to integration. Building on the external knowledge sourcing and internal knowledge transfer literatures, we investigate the internal transfer process of external knowledge. Our empirical context is a large European multinational corporation with external sourcing activities in the Silicon Valley. We found a process with four stages, each of them requiring specific activities from the many different parties to enable external knowledge to move from one stage to the other.

## Learning and Forgetting From Failures and the Contingent Role of Failure Recovery Duration

Arusyak Zakaryan, *SKEMA Business School*

Daniel Tzabbar, *Drexel University*

We examine whether the time spent on processing and recovering from a failure—failure recovery duration—effects on organization's ability to learn from it. Building upon organizational learning and attention based perspective we suggest that recovery duration ameliorates organization's learning rate and decreases its forgetting rate. Furthermore, it is yet unclear whether learning outcomes from failure occur due to reduction in failures caused by the focal reason or by any reason. We explore these aspects by examining the impact of recovery duration on specific learning outcomes. Finally, we argue that time positively moderates the relationship between failure heterogeneity and learning. We test our arguments in the context of cardiovascular drug recalls and highlight their implications for organizational learning, knowledge generation and innovation research.



Template Complexity and Replication Efficiency: Evidence from the Restaurant Industry

Timo Sohl, *Pompeu Fabra University*  
Dimo Ringov, *ESADE Business School*

This study examines how the relationship between replication—the creation and operation of a large number of similar outlets—and chain efficiency may be influenced by the complexity of the template that a chain replicates. Replication of a simple—as opposed to complex—template may facilitate knowledge transfer but raises the possibility of competitive imitation. This study examines this trade-off in the context of chains in the restaurant industry that replicate either a simpler quick-service or more complex full-service template. Results show that the relationship between replication of a simple (complex) template and chain efficiency is positive with diminishing returns (U-shaped). These findings improve the understanding of how differences in organizational activity systems can explain systematic performance differences among seemingly similar replicating organizations.

Innovative Trajectory of a Stigmatized Technology

Se Won Park, *University of Kent*  
Luis Diestre, *IE Business School*

We draw on the signaling theory and the categorization literature to demonstrate how a stigmatization alters the innovative trajectory of the technology by deterring further innovation. Specifically, we predict that technology stigma diminishes innovative investment into the technology while media coverage and the voluntary acknowledgement of the stigma moderate this relationship in opposite directions. The threat of stigma transfer triggers other technologies to take ex-ante measures to avoid being associated with the stigmatized technology by terminating further use or development of the stigmatized technology. We test our theory on the U.S. pharmaceutical industry and find empirical support for the proposed model.

SESSION 1089

ENTREPRENEURIAL NETWORKS

TRACK K	Date	Monday, Sep 24
	Time	08:00 – 09:15
Paper	Room	Studio D
Session Chair:	Suresh Bhagavatula, <i>Indian Institute of Management Bangalore</i>	

Entrepreneurial Advice Seeking: Seeking Outside Knowledge for Strategy Formation in Entrepreneurial Settings

Timothy Ott, *University of North Carolina at Chapel Hill*  
Robert Hill, *University of North Carolina at Chapel Hill*  
Jennifer Rhymer, *University of Washington*

After identifying a promising opportunity entrepreneurs still face the novel, complex problem of forming an effective strategy, but also often lack complete expertise for the opportunity. Individuals in other contexts facing difficult problems without adequate expertise often seek advice from outsiders. Entrepreneurs have been shown to benefit from such outside information when identifying promising opportunities or mobilizing resources, so it seems likely that seeking outside advice on strategy formation would be beneficial. However we know very little about who entrepreneurs would seek strategy advice from, how they might approach advisors, or how they would incorporate given advice into strategy. We address these questions through an inductive multiple case study of 10 entrepreneurial firms. We contribute to literatures on strategy formation, network theory, and advice seeking.

The Contingent Effects of Network Structures on Firms’ Knowledge Deficiencies

Xiaoou Bai, *University of Texas at Dallas*  
Wei Xia, *University of Washington*  
Eric WK Tsang, *University of Texas at Dallas*

Integrating social network and knowledge-based perspectives, this paper studies how firms seek knowledge through informal channels—network—to alleviate the negative effects of their knowledge deficiency on performance. We provide a theoretical framework relating three network structures—activeness, reciprocity, and structural holes—to firms’ search for knowledge in venture capital (VC) context. Unlike previous studies, we measured VCs’ performance directly by using survey data—internal rate of return. We used a programming technique to construct four unique dyad datasets of 113,985 investment dyads that record all domestic and foreign VCs in China from 1991 (the beginning of the VC industry) to 2017. The results show that the three network structures have different moderating effects: activeness and reciprocity alleviate knowledge deficiency but occupying brokerage positions does not.

Slumdog Entrepreneurs: The Double-Edged Nature of Strong Ties in Informal Entrepreneurship

Soumodip Sarkar, *University of Evora*  
Suresh Bhagavatula, *Indian Institute of Management Bangalore*  
Sachidananda B S, *Indian Institute of Management Bangalore*

Although it has been three decades since we started to study networks and entrepreneurship, much of our understandings are derived from studies that are set in the formal. What are the network characteristics that help for entrepreneurs in the informal sector? In our study of 408 entrepreneurs in the informal sector in Dharavi in Mumbai, India, we find that their networks very similar in structure and relationships. However, what seem to work is the tie strength of the contact which is curvilinear. As in prior literature, we found that strong ties matter for informal entrepreneurs but only to a point after which the support decreases. We did not find any support for network content related to marketing or finances but found evidence for emotional support.

New Venture Success—Effects of Immediate Family Members and Distant Kinship in Entrepreneurial Teams

Xueru Yang, *South China Agricultural University*  
Max Leitterstorf, *WHU Otto Beisheim School of Management*  
Franz Kellermanns, *University of North Carolina at Charlotte*

Family relationships play an important role in entrepreneurial teams of new ventures. We examine two different types of family ties in entrepreneurial teams: immediate family members and distant kinship ties. Specifically, based on entrepreneurial stewardship and SEW, we analyze the impact of these family ties on the success of new ventures. We hypothesize that different family relationships show varying effects and that these effects are moderated by initial financial resources, as well as the ownership percentages held by founders. Our empirical results, based on a sample of 317 new ventures, support our hypotheses.



## SESSION 1043

**SOCIAL MOVEMENTS, ACTIVISM, AND POLITICAL ACTIVITY****TRACK M**

**Date** Monday, Sep 24  
**Time** 08:00 – 09:15  
**Room** Forum A

**Paper**

**Session Chair:** François Neville, *McMaster University*

**A Configurational Examination of the Corporate Opportunity Structure for Social Activism**

François Neville, *McMaster University*

I endeavour to develop a comprehensive understanding of configurations of the corporate opportunity structure for social activism—that is, combinations of firm characteristics that make such firms more (or less) likely to be targets of social activism. To do so, I integrate extant theory and research on the key features of corporations that impact the likelihood of a firm being targeted by social activists. I use qualitative comparative analysis (QCA) to investigate the combinations of corporations' features that exist among S&P 500 firms that increase the likelihood that such firms will be targeted by social activism, presenting a multifaceted view of the corporate opportunity structure and extending knowledge on why corporations are targeted by social activists in the first place.

**A Quiet Revolution: The Role of Business in Advancing the Saudi Women's Rights Movement**

Maurice Murphy, *University of Southern California*

Recently, we have witnessed a proliferation of research integrating social movements, stakeholder strategy, and non-market strategy. However, few of these studies have explored the interaction between social movements, firms, and the state within the context of emerging markets. To this end, I extend this literature by exploring the role of business in advancing the Saudi Women's Rights Movement. I argue that one of the major boons to this movement was its ability to simultaneously lobby the state directly, whilst also co-opting major entities within the private sector in order that the political and social power of these entities could be utilized in influencing the state to further the movement's agenda. I refer to this integration of public and private politics as 'representative politics.'

**Getting Caught and Saving Face: Disclosure of Controversial Corporate Political Activity**

Ishva Minefee, *Iowa State University*

Timothy Werner, *University of Texas at Austin*

Mary-Hunter McDonnell, *University of Pennsylvania*

This study examines investors' reactions to the disclosure of controversial covert CPA—defined as covert and illegitimate attempts to shape government policies in ways favorable to the firm. We argue that the disclosure of controversial covert CPA represents a stigma event for firms. To develop and test theory on the implications of engagement in controversial covert CPA, we examine the disclosure of firms' covert ties to the American Legislative Exchange Council (ALEC), which were unexpectedly disclosed by a whistle-blower in 2011. We find that investors react negatively to this type of CPA. In addition to responding to calls for more research on covert CPA, this study contributes to discussions regarding investors' reactions and thus, potential performance outcomes of CPA.

**Not According to the Book: Unconventional Political Strategies in Developing Countries**

Tahiru Azaaviele Liedong, *University of Bath*

Daniel Aghanya, *Cranfield University*

There is a lack of research about political strategies in developing countries. Specifically, not much is known about how firms reconfigure themselves to address external political shocks. This study explores the response of banks in Nigeria to an unexpected policy. It also explores the political strategies banks used to influence the amendment or withdrawal of the policy. Our findings show that large banks are particularly slow to implement market-based initiatives in response to political shocks. The findings also reveal that banks use dark and unconventional strategies to gain access to politicians. We develop several propositions and argue that the choice of political strategy is affected by resource availability and urgency, and also by the unique opportunities available at the industry level.

## SESSION 1047

**FINANCIAL MARKETS, FIRM PERFORMANCE, STAKEHOLDERS, AND CSR****TRACK M**

**Date** Monday, Sep 24  
**Time** 08:00 – 09:15  
**Room** Studio G+H

**Common Ground**

**Session Facilitator:** Parthiban David, *American University*

**✦ Short-selling and Firm Performance on Corporate Social Responsibility—Evidence from a Natural Experiment**

Vanya Rusinova, *Copenhagen Business School*

Georg Wernicke, *HEC Paris*

In this paper, we test for a causal relationship between short-selling and firms' performance on Corporate Social Responsibility (CSR). To establish causality, we use the exogenous variation in short-selling restrictions induced by the Pilot Program under Regulation SHO of 2004. The Pilot program decreased the costs of short-selling for randomly selected subset of firms which resulted in an increase in the threat of short-selling for these firms. Results from a sample of U.S. firms for the years 2002 – 2006 suggest that an increase in the likelihood of being subject to short-selling increases firm performance on CSR. We further test how the temporal orientation of firms' institutional owners and different level of firms' financing constraints moderate the relationship between short-selling and firm performance on CSR.

**What about Tomorrow? How Hedge Fund Activism affects Corporate Social Performance**

Mark DesJardine, *HEC Paris*

Scholars have questioned whether hedge fund activism creates, captures, or destroys corporate value. Yet, most prior research investigates the value of hedge fund activism using financial performance outcomes. Research has yet to examine whether hedge fund activism promotes or inhibits corporate social performance (CSP). In total, we manually identify 1,427 U.S.-based firms targeted by hedge fund activists from 2000 to 2012. We find the CSP of firms decreases in the years following being targeted by a hedge fund activist. We also find targeted companies' financial performance increases, and operating expenses, R&D, and number of employees decreases. Overall, findings from this study help illuminate the short-term financial priorities of hedge fund activists at the expense of CSP.



## Does Greenwashing Pay Off? The Role of a Firm's Performance Context

Parthiban David, *American University*  
 Sarv Devaraj, *University of Notre Dame*  
 Suvrat Dhanorkar, *Penn State University*  
 Timothy Hart, *University of Tulsa*

Firms are required to disclose material information in annual reports, yet may exaggerate elements of their environmental performance in doing so, an action known as greenwashing. Firms undertake greenwashing to enhance external perceptions. Do they succeed? We find that greenwashing is negatively associated with expert ratings of environmental performance indicating that specialist experts rating a firm's environmental performance are not deceived by greenwashing. Conversely, greenwashing is positively associated with a firm's financial performance as measured by Tobin's Q, indicating that generalist shareholders who may lack in-depth understanding are deceived and bid up share values following greenwashing. We find that the performance context matters. When firms perform below their aspiration level, greenwashing is negatively associated with Tobin's Q, suggesting that shareholders see through greenwashing claims.

## Play to Win or Don't Play at all: The Financial Returns to Making the Cut

Ben Lewis, *Brigham Young University*  
 W. Chad Carlos, *Brigham Young University*

Despite the proliferation of lists and rankings that recognize firms for superior performance, empirical studies have been limited in their ability to causally evaluate how inclusion for the marginal firm influences shareholder value. Using a regression discontinuity design, we address this limitation by examining how investors responded to firms that were just barely included or excluded from the 100 Best Corporate Citizens list. Our findings indicate that marginal firms that were included experience negative abnormal returns compared to marginal firms that were excluded. We highlight new areas of inquiry for scholarship on rankings and provide a more nuanced perspective on the relationship between CSR initiatives and firm value. We also discuss implications for managers that desire to compete for inclusion on these ranked lists.

## CSR, Un-CSR, and Equifinal Short-Term Financial Performance: Stakeholder Moral Awareness' Contingent Effects on Financial Performance

Zachariah Rodgers, *HEC Paris*

The link between corporate social responsibility (CSR) and corporate financial performance (CFP) has been studied extensively. However, the question of whether "doing good" (CSR) leads to "doing well" (CFP) has a corollary question that has largely been overlooked: Does "doing bad" lead to "doing poorly"? We outline a framework for approaching this question, by stipulating that in the short term, both CSR and corporate social irresponsibility (or "Un-CSR") lead to positive financial performance. Although CSR and Un-CSR have immediate effects on corporate moral performance, these effects are realized in terms of CFP primarily through a contingent relationship with stakeholder moral awareness. When stakeholders become aware of corporate moral performance, CSR is a superior strategy to achieving long-term financial performance.

## How Do Stakeholder Relationships Influence the Likelihood of Being Acquired?

Stefano Romito, *Bocconi University*  
 Emanuele Bettinazzi, *University of Lugano*

In this paper we investigate the influence of a firm's stakeholder orientation on the likelihood of being acquired. We submit that relational resources with stakeholders may act as signals about the target firms' potential to realize synergy when acquired, that influence how firms are assessed and, in turn, selected by an acquiring firm. We propose arguments for both a positive and negative effect that firm's

stakeholder orientation can have on the likelihood of being acquired. Analyses on a sample of 7,097 firm-year observations show a negative association between firm's stakeholder orientation and the chances of being acquired. Additional analyses also indicate that the effect varies across the different categories of stakeholder.

## SESSION 947

### ACTORS INTERACTION AND INTERFIRM COLLABORATION IN THE INNOVATION PROCESS

#### TRACK N

Date Monday, Sep 24  
 Time 08:00 – 09:15  
 Room Forum B

#### Paper

Session Chair: Janet Bercovitz, *University of Colorado, Boulder*

#### The Role of Executive's Experience in Contract Design

Shiau-Ling Guo, *National Chengchi University*  
 Fabrice Lumineau, *Purdue University*  
 Janet Bercovitz, *University of Colorado, Boulder*

Despite substantial scholarly attention to the role of contracts in governing partnerships, still not much is known about the role of individuals in contract design. Drawing upon the upper echelons perspective, we extend contract research by investigating how the executives' types of experience, by influencing their cognitive schema and attention toward businesses, affect contract design. We test our hypotheses using a unique dataset containing detailed contract information and executive profile information in the U.S. restaurant franchise systems. Our results suggest that the franchisor executive's types of experience affect the favorableness of contractual terms and the use of preventive terms. We also find that the degree of franchising moderates the effect of franchisor executive's experience on contract design.

#### The Role of Collective Actors in Emerging Industries: The Development of Smart-Grids in the UK

Maria Gradillas, *University College London*

Current research recognizes the significance of collective actors in emerging industries, however, we have little understanding of how their role evolves as a new industry develops. Through an inductive study of the early stages of the smart grid industry in the UK, I find that in the initial stage, collective actors legitimize the case for change in the incumbent system and develop a collective understanding of the new industry. During the second stage, collective actors focus on theorizing value ecosystems and developing a supportive institutional infrastructure for the new industry. Innovating firms initially engage with collective actors by educating and promoting their vision of the new industry and then use their success in innovation projects to influence their activity.

#### The Allocation of Inventors to R&D Collaborations: Consequences for Misappropriation Risk

Neus Palomeras, *Carlos III University of Madrid*  
 David Wehrheim, *IESE Business School*

In this paper, we suggest that allocation of inventors participating in an R&D alliance is a central element in the design of a collaboration. Inventors are key in the two main and often conflicting objectives of R&D alliances: knowledge sharing and knowledge protection. We claim that, ceteris paribus, those inventors whose set of knowledge is more protected against potential imitation are more likely to be assigned to collaborations than their co-workers. This way, and without compromising knowledge sharing, the firm incurs in a lower risk of misappropriation in the event of leakage. We analyze the allocation of inventors in a sample of alliances in the pharmaceutical industry by building a novel data set combining SDC alliance data and EPO patent ownership and authorship data.

## Going Alone or Together: Balancing Knowledge and Innovation Speed in the Partnering Decision

Lisette Pregelj, *University of Queensland*  
 Damian Hine, *University of Queensland*  
 Manuel Becerra, *University of Queensland*  
 Martie-Louise Verreynne, *University of Queensland*

As a learning mechanism, alliances are a well-known instrument for capability development in organizations. Aiming to contribute to the large literature on organizational learning and innovation, we investigate the decision to collaborate with partners when conducting clinical trials for new drug development, particularly regarding its impact on innovation speed. Our results show that organizations that only conduct trials alone, which we call isolators, benefit from greater innovation speed, arguably linked to lower transaction costs and limited need for relational capabilities, over those that frequently participate in alliances. Yet, isolators' knowledge scope is negatively affected in the long-term, potentially impacting their ability to develop new capabilities. Our study provides a counterpoint to the literature that stresses the advantages of collaborating with partners to enhance innovation.

### SESSION 1004

## BOARD EFFECTIVENESS

<b>TRACK O</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	08:00 – 09:15
<b>Common Ground</b>	<b>Room</b>	Studio I+J

**Session Facilitator:** Jill Brown, *Bentley University*

## Board Leadership Structure and Firm Performance: A Meta-Analysis

Yong Yang, *University of Sussex*  
 Mei Yu, *Coventry University*

Despite the large debate on the board leadership structure and its relationship with firm performance, the empirical evidence has yielded mixed and unclear results. Using a meta-analysis approach, we find that CEO duality-performance relationship is higher in countries with stricter rule of law and control of corruption, and when there is more trust among people in that country. In addition, the CEO duality-performance relationship is higher when the code of corporate governance that recommends separating the joint CEO and chairman roles has been implemented; there are fewer board of directors; short-term performance indicators are used; advanced regression techniques that address endogeneity problems are not used; and the companies have higher debt ratios.

## Board Ties to CEO Candidates as an Information Channel in Outsider CEO Selection

Pardeep Maheshwaree, *Aalto University*  
 Jens Schmidt, *Aalto University*

CEO selection is a critical decision with significant implications not only for the appointing firm but also for its directors. At the same time directors have constraints in acquiring and processing information, while we increasingly see appointments of outsider CEOs for whom obtaining information is particularly difficult. We argue that to overcome this difficulty boards use their networks to obtain information about external CEO candidates. We hypothesize that among potential candidates those at a closer social distance from the board are more likely to be selected. Using a sample of approximately 600 external CEO appointments in S&P 1500 firms from 2004-2013 our tentative descriptive results support our hypothesis.

## The Aftermath of Failed Coups: Circulation of Power after Director Resignations

Andrew Ward, *Lehigh University*  
 Jill Brown, *Bentley University*  
 Punit Arora, *City University of New York*  
 Cynthia Clark, *Bentley University*

In this study we examine occasions when board members contest the power of a CEO, but lose this contest, resulting in the departure of the board member. Drawing from circulation of power theory, and beginning with a sample of 729 firms with director resignations between 2003-2017, we hypothesize that the act of contestation leads to: protection strategies by the CEO in the form of increasing the board size by adding CEO-friendly board members, appeasement strategies by the CEO in the form of scapegoating top management team members, future contestations by board members resulting in the CEO's departure, and declines in institutional ownership. Initial results suggest that director/CEO power contests have consequences across board, TMT and institutional levels.

## One Step Forward, Two Steps Back: How Managers Offset the Effects of Board Declassification

Richard Johnson, *University of Missouri*  
 John Berns, *University of Mississippi*  
 John Howe, *University of Missouri*

Many boards of directors are moving from one-third of their members selected every year to electing all members every year (declassifying). The argument for declassifying a board is so that it is more transparent to shareholder democracy, and presumably more likely to serve as an effective monitor of management. Based on the Managerial Entrenchment Hypothesis we argue that boards that do yield to pressure to declassify themselves also put in place greater protections from shareholder democracy prior to board declassification. Our results at this point generally support our hypotheses indicating some support for the entrenchment hypothesis. Support may also be found for CEO's altering their compensation contracts to reduce their risk associated with the loss of a staggered board.

## Operating as Substitutes: the Negative Connectivity among Institutionalized Elements of the Corporate Governance Bundle

Guilhem Bascle, *Catholic University of Louvain*

Drawing on institutional theory, this study presents the main governance prescriptions associated with the shareholder-value-maximization logic, and examines how and why prescription enactment can trigger substitution effects in the context of the buyback prescription—a prescription indicating conspicuous and clear commitment to maximizing shareholder value. Arguments are tested on the share repurchase behavior of a sample of U.S. Fortune 500 firms. Results, which confirm the existence of meaningful substitution effects, have implications for future research on corporate governance, institutional logics, and organizational resistance.

## Shareholder Dissent and CEO Dismissal: Evidence from German Family and Non Family Firms

Alina Georgiana Andrei, *Erasmus University Rotterdam*  
 Johannes Van Oosterhout, *Erasmus University Rotterdam*  
 Steve Sauerwald, *University of Illinois at Chicago*

Using a sample of 199 German firms from 2008-2015, we examine how shareholder dissent influences CEO dismissals. We argue that shareholder dissent is perceived by the board as a "vote of confidence" in management and find support for this prediction, but only for high levels of shareholder dissent. We also investigate the moderating effects of family involvement, which we expect to negatively moderate the disciplinary effect of shareholder dissent. Our evidence supports this prediction for family ownership and family CEOs, but not for having a family member chairing the supervisory board. This finding challenges received wisdom and suggests that shareholder dissent fulfills is disciplinary role best when the board has a chair that is both attentive and motivated to act upon such signals.



SESSION 1033

STATUS

TRACK P	Date	Monday, Sep 24
	Time	08:00 – 09:15
Paper	Room	Forum F

Session Chair: Giada Di Stefano, *HEC Paris*

Organizational Responses to Status Gains: Strategic Conformity and the Role of Customer Evaluations

Saverio Dave Favaron, *HEC Paris*  
Giada Di Stefano, *HEC Paris*

Recent work on organizational status proposed a dynamic view of status rankings, where organizations do not passively withstand status losses and gains. Consistent with this view, we consider instances of status gains in the restaurant industry and study changes in the offerings of restaurants before and after the first publication of the Michelin guide in a large US metropolitan area. We focus on organizational conformity and argue that, after a status gain, organizations conform less on core features of their offering while conforming more on peripheral ones. We introduce demand factors as moderators of the relationship between status and conformity by analyzing the opinions of customers through the analysis of online reviews published after the status gain.

Status Centrality and Structural Holes as Drivers of Aspiration Salience

Jake Duke, *Oklahoma State University*  
Taha Havakhori, *Oklahoma State University*  
Rachel Mui, *Oklahoma State University*  
Owen Parker, *Oklahoma State University*

Given developments in the performance aspiration literature that highlight the differential effects of social versus historical aspirations, we examine how firm status, measured by network position and structure, impacts the salience of response towards different performance feedback sources. We posit that firms with central status positions in the network are more concerned with outperforming peers to maintain their position and thus are more responsive to social rather than historical aspirations. Furthermore, because status can be protected via privileged ties maintained by structural holes, we argue that structural holes reduce concern for status loss, thereby weakening the effect of status centrality on social underperformance. Examining the alliance and board interlock networks of 4,726 firms from 2000-2015, we find results consistent with our arguments.

Strengthening the Ties that Bind: Similarity, Status, and Uncertainty in Film Production

Antoine Vernet, *University College London*

Studies of collaboration show people tend to choose partners who are similar to them. Research also advances, however, that diversity is important to performance, suggesting that sometimes, people choose dissimilar others for collaboration. I investigate what might lead one to bypass similar others. I suggest that both status and uncertainty affect the preference for collaborator similarity. High status creates interest among potential collaborators which gives options to work with diverse people but the risk of status loss also gives one reasons to rely on similar others. Also, managers cope with perceived uncertainty by either associating with diverse partners or sticking with similar partners. Examining these opposing responses, I ask, when do individuals stick with similar others versus break out to work with dissimilar others?

Like a Tree Falling Unheard in the Forest: Audience Remembering and Status Spillover

Balazs Szatmari, *University of Amsterdam*  
Seok-Hyun Hwang, *Northwestern University*

This study examines the cognitive limits of status spillover in status-based relations. Whereas status researchers have generally assumed that status spillover occurs between connected actors whenever there is status asymmetry between them, we take the perspective of the audience and argue that status spillover occurs only if status-based relations are remembered by the audience. Building on the idea that a schema-congruent object or event is more likely to be remembered than a schema-incongruent one, our audience-based view suggests that status spillover in status asymmetric relations are less likely because status homophily is the shared schema adopted by the audience.

SESSION 1030

SEARCH AND COORDINATION

TRACK P	Date	Monday, Sep 24
	Time	08:00 – 09:15
Paper	Room	Forum E

Session Chair: Andy Wu, *Harvard University*

★ Iterative Coordination in Organizational Search

Sourobh Ghosh, *Harvard University*  
Andy Wu, *Harvard University*

Firms use iterative coordination, or periodic coordination meetings, in their technology development on a presumed link to both exploratory innovation and exploitative performance. We critically evaluate this practice and identify boundary conditions to its effectiveness. With a leading technology firm, we embed a field experiment within a software development competition to measure iterative coordination's effect on firm outcomes and search process. We find that iteratively coordinating firms conduct more productive overall search, but face trade-offs between exploitation and exploration: while sampling more distant neighborhoods on their landscapes, these firms ultimately exploit at the expense of exploring. Our findings contribute to literatures on organizational search and strategy formation in entrepreneurial settings. Methodologically, we introduce a novel experimental data collection methodology enabling granular minute-level search measures.

Searching Beyond The Horizon: Opportunity and Motive in CVC Investments

Joshua Eckblad, *Tilburg University*  
Shivaram Devarakonda, *Tilburg University*  
Geert Duysters, *Tilburg University*

We examine how established corporate firms deal with the competitive effects of technological change by utilizing corporate venture capital (CVC) investment opportunities to source external knowledge from startup ventures. We examine firm-level drivers of CVC investment behavior and contend that it is influenced by the interaction between two fundamental considerations: the supply of investment opportunities made available to the established firm because of its position in the environment; and the demand for new technological investments deriving from the need to cope with technological change. We argue that the degree to which established firms form ties with startups depends not only on the corporate's position in investment syndicate networks but also on how organizational attention is systematically guided by the threats posed by technological change.

MONDAY 08:00 – 09:15



## Managing Us vs. Them During Strategic Change: The Role of Intergroup Leadership in Intra-Organizational Coordination

Jeanine Porck, *Oklahoma State University*

During implementation of strategic change, organizations need interdependent teams to work together effectively. Yet, often teams fail to coordinate their efforts due to an 'us versus them' mentality rather than a cooperative stance. This creates an imperative to understand how managers can foster intra-organizational coordination. Using a social identity lens, we examine the effects of uncertainty, which teams may experience during strategic change, and intergroup leadership, leadership that promotes positive intergroup relations, on intra-organizational coordination. We hypothesize that during strategic change uncertainty can harm intra-organizational coordination, while intergroup leadership is a way in which organizations can facilitate intra-organizational coordination, even when uncertainty is high. We will test this in 76 organizational teams in an organization that is in the middle of strategic change.

## Reading the Competitor's Tea Leaves: Entrepreneurial Interpretation and Explorative Search in the Mobile App Ecosystem

Amy Zhao-Ding, *INSEAD*

Jason Davis, *INSEAD*

This paper examines how prominent competitors serve as market signals that affect entrepreneurial firms' explorative search in digital marketplace. We argue that prominent competitors in a certain market provide mixed signals—not only posing survival threat to fellow firms, but also providing validation for market opportunities. We find that firms see the number of prominent competitors as quantity signal for promising opportunities, thus are more likely to engage in explorative search. Competitive persistence is seen as quality signal and reduces likelihood to engage in explorative search. The interpretation of prominent competitors as opportunity versus threats is asymmetric. The effect of quantity signal is more significant in less familiar categories, while the effect of quality signal is not affected by how familiar the categories are.

### SESSION 906

## TEACHING STRATEGY THROUGH EXPERIENTIAL LEARNING

<b>TRACK T</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	08:00 – 09:15
<b>Parallel Panel</b>	<b>Room</b>	Scene DEF

### Session Chair

Protiti Dastidar, *University of Maryland*

### Panelists

Prithwiraj Choudhury, *Harvard University*

Russell Coff, *University of Wisconsin-Madison*

Christina Elson, *University of Maryland*

David Kryscynski, *Brigham Young University*

Richard Smith, *Singapore Management University*

The traditional approach to teaching strategy has long centered around the Harvard case teaching method. Over the last decade the emphasis has shifted towards experiential learning as higher educational institutions—under pressure to create a more engaging and memorable experiences for students—consider a broader range of tools that facilitate more effective and durable learning (Elam and Spotts, 2004). Given the dynamic nature of the workplace and fast cycle of many industries (Eisenhardt, 1989), simulating the workplace through experiential learning helps develop students that are better prepared for the interactive and collaborative nature of their future workplace. In this panel we will focus on a few of these experiential learning techniques and methodologies such as design thinking that support them.

### SESSION 1158

## EDUCATIONAL IMPACT AWARD SESSION

<b>TRACK S</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	08:00 – 09:15
<b>Special Panel</b>	<b>Room</b>	Forum C

### Panelist

Anita McGahan, *University of Toronto*

In this session, the 2018 SMS Educational Impact Award recipient, Anita M. McGahan, will offer a few thoughts about directions on the impact of management education.

\*\*\*The Educational Impact Award recognizes excellence in contributing to the teaching mission in Strategic Management. It is given annually to an individual who has made an exemplary contribution to quality and innovation in the teaching of strategic management, either through their own teaching and mentoring activities and/or by empowering other teachers with innovations and high-quality teaching materials.





SESSION 964

SOCIAL ENTREPRENEURSHIP AND HYBRID ORGANIZING

TRACK D	Date	Monday, Sep 24
	Time	09:30 – 10:45
Paper	Room	Scene G+H

Session Chair: Tina Ambos, University of Geneva

**Hybrid Valence and Performance: Social and Financial Performance of Hybrid Microfinance Organizations**

Zachariah Rodgers, *HEC Paris*

Prior work suggests organizations suffer diminished performance when trying to achieve too many demands at once. Recent scholarship on “hybrid” organizations describes how organizations mix logics to simultaneously fulfill multiple demands. Yet, repeated calls for quantitative research on a central puzzle have largely gone unanswered: How do hybrids tend to perform? I develop hypotheses about hybrid performance, by distinguishing between positive and negative valences within hybrids. I examine non-hybrid and hybrid microfinance organizations relative to two types of demands (social and financial) by analyzing 10,069 observations from across fifteen years for 1,640 organizations, interviewing 38 industry affiliates, and analyzing 1,339 mission statements. Results have implications for organizations seeking to fulfill both social and financial—or any two types of demands—at once.

**Orchestrating Institutional Rejuvenation in Hybrid Organizations: Evidence from a National Cooperative League**

Riccardo Maiolini, *John Cabot University*

In recent years, researchers have begun to unpack how socially-oriented hybrid organizations deal with multiple, often competing logics (e.g., Dorado, 2013; Mair & Marti, 2009). The co-existence of different logics, research shows, generates challenging tensions for these organizations (Battilana, et al., 2015; Ramus et al. 2017), but at the same time it provides opportunities for the creation of organizational (Tracey et al., 2011) as well as institutional innovations (Mair & Marti, 2009). We know far less, however, regarding situations where new logics are introduced intentionally to ‘rejuvenate’ (cf., Covin & Miles, 1999) existing ones before hybrid organizations go ‘out-of-sync’ in the wake of changing institutional environments. This is the issue at the center of this research.

**Social Enterprises, Venture Philanthropy and the Alleviation of Income Inequality**

Francesco Di Lorenzo, *Copenhagen Business School*  
Mariarosca Scarlata, *University of Surrey*

Building on the literature on hybrid organizing, this work assesses the relationship between the organizational activity of social enterprises backed by venture philanthropy investors and income inequality. Using data from the Ashoka’s portfolio of Indian social enterprises and Indian municipalities these organizations serve, we find that a) Indian municipalities with social enterprises that have received venture philanthropy investment experience a decrease of the income inequality level, and b) among these social enterprises, those contributing mostly to inequality alleviation are dominated by a social logic.

**Social Intrapreneurship in International Organizations in the Digital Age**

Katherine Tatarinov, *University of Geneva*  
Tina Ambos, *University of Geneva*

Intrapreneurship is not only a useful mechanism to generate innovation in the for-profit context, but also an important driver of social innovation. Yet, there is a dearth of research on social intrapreneurship within large complex organizations. In the age of digitalization, international organizations (IOs), such as the United Nations, are struggling to inspire intrapreneurial behavior and it remains a challenge to recognize how locally embedded initiatives can be scaled for global use. This research aims to understand the context of intrapreneurial initiatives in IOs and the role of digital technology. Based on insights from eight cases of bottom-up initiatives in IOs, we develop a framework to distinguish different types of initiatives, suggest dimensions to evaluate their impact, and propose a research agenda.

SESSION 980

STRATEGY RESEARCH ISSUES

TRACK E	Date	Monday, Sep 24
	Time	09:30 – 10:45
Paper	Room	Studio F

Session Chair: Venkat Subramanian, Nazarbayev University

**Why Strategy Will Have Nothing Useful to Say to Companies About De-Globalisation**

David Collis, *Harvard University*

Strategy has failed the corporate world by refining a classic Value Capture / Competitive Positioning approach to strategy formulation. It has therefore missed Value Creation as the real driver of shareholder value, and Strategic Adaptation as where the actual practice of strategy has been for the last several decades. This paper describes an expanded strategy landscape that includes both these elements, and illustrates how analysis of the (carefully defined) business model can unify recent strategic prescriptions, like disruption and blue ocean space, and provide insight into effective strategies that firms can embrace. This framework is found to be more useful for firms confronting contemporary issues, such as block-chain and de-globalisation.

**A Review and Assessment of the Strategic Management Journal’s Best Papers**

Kris Irwin, *University of Alabama*  
Josie Burks, *University of Alabama*  
Paul Drnevich, *University of Alabama*

For 25 years, the Strategic Management Society (SMS) has been awarding the Strategic Management Journal Best Paper prize to recognize the highest level of scholarly contribution to the field of Strategic Management. As the 2017 meeting of the SMS concluded the twenty-fifth anniversary of the award’s founding, we felt this offers an excellent opportunity to review and reflect on the important contributions of these exemplary works. Using a grounded theory approach, we seek to familiarize the more novice strategy scholar with these award winning articles and provide key insights and opportunities for future research. We discuss our methods for coding and analysis, provide synthesized results for themes, and conclude with a discussion of our collective insights and suggestions for avenues of potentially impactful future research.

## How Much Does Industry Classification Matter?

Denis de Crombrughe, *Maastricht University*  
Gabriel Hawawini, *INSEAD*  
Venkat Subramanian, *Nazarbayev University*  
Paul Verdin, *Free University of Brussels*

A large stream of empirical research has provided some robust evidence that individual firm factors matter most when explaining variations in firm performance. We take a new look at this evidence, and in particular, we pose the question to what extent the industry classification system most often used, the SIC system, may significantly affect the observed industry and firm effects. We also introduce an extended set of criteria in the sampling process to better account of the data characteristics. We test these questions empirically over a data set covering the period 1990-2004. Finally, we introduce a number of methodological extensions and improvements that add rigor to the estimation methods most often used in previous studies to examine their impact on the empirical results obtained.

## Measuring Strategy from Business Descriptions: Applying Natural Language Processing to Unstructured Text

Anoop Menon, *University of Pennsylvania*  
Jaeho Choi, *University of Pennsylvania*  
Haris Tabakovic, *Harvard University*

This study explores how new text analysis tools can be used in strategy research that examines unstructured textual data. We build on two established natural language processing (NLP) techniques, vector space models and topic modeling, to create text-based measures of core constructs in strategy –change, positioning, and focus. These techniques are applied to the sample of 52,392 business descriptions in 10-K annual reports during 1997-2016. Results show that these new methods produce innovative yet meaningful measures of firm strategy which open unexplored avenues for research to strategy scholars. The study advances the emerging research utilizing text analysis methods, demonstrates that NLP can overcome the limitations of traditional text analysis methods, and provides a template for how other machine learning techniques could be introduced into strategy.

### SESSION 990

## COMPETITION AND RESOURCES

<b>TRACK E</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	09:30 – 10:45
<b>Paper</b>	<b>Room</b>	Forum G+H

**Session Chair:** Phebo Wibbens, *INSEAD*

## Monsanto's Black Box: Technology, Strategy, and Resource Ownership and Control

Shane Hamilton, *University of York*  
Beatrice D'Ippolito, *University of York*

The Resource-Based View (RBV) relies upon an under-theorized conception of ownership and control of resources. We develop a model for qualitatively measuring the strategic value of intangible resources that takes into account the level of formality of ownership and the degree of managerial control over resources. We apply this model to a case study of technology at Monsanto, examining how the firm's ownership and control of technology provided both a useful and problematic resource in the firm's strategic transition from chemical manufacturing to agricultural biotechnology.

## The Dynamics of Resource Competition: Implications for Firm and Industry Components of Returns

Phebo Wibbens, *INSEAD*

How do ex ante similar firms develop heterogeneous resource positions that lead to persistent performance differences, even among direct competitors? The model in this paper shows that resource competition drives amplification of small resource differences into large performance differences, thus providing a very general mechanism for the empirical regularity that variations in performance have a high firm-specific component. Moreover, the model predicts that several industry-level resource characteristics affect the extent to which variations in returns are driven by firm versus industry effects. Empirical results from a Bayesian hierarchical analysis of stock market returns indeed indicate clear differences in the firm-specific component of performance across industries, which are persistent over time and broadly consistent with the predictions of the model.

## Unraveling the Industry and Firm Effects on Firm Internationalization

Ine Paeleman, *Ghent University*  
Shaker Zahra, *University of Minnesota*

A large number of studies have examined the factors that spur firm internationalization, focusing on industry and firm variables. This research has focused primarily on public firms which are often well established in their industries and have the resources to address the challenges of internationalization. Using longitudinal data of 2,213 Belgian privately held firms, our results indicate that firm effects account for the largest part in the variation of firm internationalization, followed by industry and year effects. However, the effects differ across international new ventures (INVs) and established international firms. Industry effects account for a larger portion in INVs but a smaller portion in established international firms whereas firm effects account for a larger portion in established international firms but a smaller portion in INVs.

### SESSION 1068

## RESOURCE REALLOCATION AND REDEPLOYMENT (I)

<b>TRACK F</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	09:30 – 10:45
<b>Paper</b>	<b>Room</b>	Forum I+J

**Session Chair:** Yasemin Kor, *University of Cambridge*

## Resource Redeployment Among Siblings: Evidence from the Global Retail Sector

Timo Sohl, *Pompeu Fabra University*

This study examines the conditions under which market exits of chains tend to be associated with internal redeployment of fixed assets (stores) towards sibling chains. Using panel data on 5,003 chains from the retail sector in 163 countries (1997–2010), we find that the presence of closely-related sibling chains increases a focal chain's hazard of country exit by 33.2 percent. At the same time, the country exit of chains is associated with a 6.6 percent increase in store growth of closely-related sibling chains that remain in the country. The evidence also suggests that among closely-related sibling chains, corporate parents tend to redeploy stores from low- towards high-growth siblings and that the decision to internally redeploy stores depends to a large extent on market frictions.



The Degree of Corporate-Level Resource Re-Allocation in the Multi-Business Firm

Niklas Lindlbauer, University of Cambridge  
Yasemin Kor, University of Cambridge

The corporate-level allocation of resources among different strategic business units is considered a critical strategic activity for multi-business firms. Extant research has overlooked that these firms differ significantly in the degree to which they change their resource allocation patterns, i.e., re-allocate resources, as a way to calibrate their resource bases and respond to changing industry conditions. Our research focuses on advancing our theoretical and empirical understanding of the corporate headquarters' resource re-allocation patterns and their consequences on firm performance. By conducting this research, we aim to develop a better understanding of how multi-business firms strive to improve and optimize their resource allocation decisions through capital investment re-allocations, and how the financial returns to these choices vary under firm-specific and external conditions.

Extending Theory of Resource Redeployment to Financial Resources: Evidence from Corporate Internal Capital Markets

Ghahhar Zavosh, SKEMA Business School

This study aims to extend the boundaries of the theory of resource redeployment (RR theory) to encompass financial, as well as non-financial resources. Particularly, we show that RR theory demonstrates a great explanatory power in explaining the direction and magnitude of capital flow among a firm's subsidiary businesses. Our results strongly confirm the eligibility of corporate internal capital market as an empirical context for testing RR theory which has mainly been developed through formal models and simulations. Finally, built on RR theory premises, our study also contributes to resolving the validity issues in the internal capital market efficiency debate in linking efficiency (or inefficiency) of capital allocation practices and corporate value creation (or destruction), by modifying the oversimplifying measures of capital investment optimality.

Managing Coopetition within Multibusiness Firms: A Focus on the Production Allocation Process

Rosanna Amata, University of Catania  
Giovanni Battista Dagnino, University of Rome LUMSA  
Anna Minà, Kore University of Enna  
Pasquale Massimo Picone, University of Bergamo

Through the in-depth analysis of the case of an intraindustry diversified firm operating in the semiconductor industry, this paper identifies the sources and treatment of coopetitive tensions among divisions in the production allocation process. We offer three contributions to coopetition inquiry at the intrafirm level. First, we show the role of corporate headquarters in "inducing cooperation" among competing divisions to effectively exploit production capacity. Second, we unravel that the temporal separation of competition and cooperation may turn crucial to manage intrafirm coopetition tensions. Third, we identify a coopetition sequence in which we observe that competition follows cooperation. Interestingly, this sequence bears a counterintuitive flavor since it goes to the opposite direction vis-à-vis the one that typically occurs at the interfirm level.

SESSION 1118  
CSR AND ENVIRONMENTAL SUSTAINABILITY

TRACK G/F	Date	Monday, Sep 24
	Time	09:30 – 10:45
	Room	Studio A

Common Ground

Session Facilitator: Alvaro Cuervo-Cazurra, Northeastern University

Environmental Regulations and Foreign Direct Investment: Evidence from a Natural Experiment in China

Hu Yunyi, Shanghai Jiao Tong University  
Jungbien Moon, Korea University  
Haitao Yin, Shanghai Jiao Tong University

We attempt to provide updated evidence regarding the debate between pollution haven and induced innovation arguments through analyzing the change of FDI flows in and out of China, in the form of foreign acquisitions and divestments, after the enactment of Pollution Discharge Fee Act of 2003 in China that increased environmental regulatory compliance costs of firms. We hypothesize that foreign acquisition is less likely after the Act in polluting industries compared to nonpolluting industries, while foreign divestment is more likely. We further hypothesize that the different levels of institutional development across different provinces of China moderate these relationships in an amplifying way. Our preliminary analysis provides support for our hypotheses regarding foreign acquisitions yet not for those regarding foreign divestments.

International Diversification and Corporate Social Performance: The Impact of Subsidiary Activities

Peter Williamson, University of Cambridge  
Pavlos Symeou, Cyprus University of Technology  
Stelios Zyglidopoulos, University of Glasgow

We investigate the role that the types of value chain activities undertaken by overseas subsidiaries play in shaping the positive relationship between the firm's international diversification and Corporate Social Performance (CSP), found in earlier studies. We argue that firms that diversify internationally engage in varying levels of CSP proportionate to the risk of suffering damages to their global legitimacy or reputation from negative events derived from the kinds of activities they engage in through their subsidiaries. Additionally, we posit that the breadth and the depth that a MNC's international diversification involves interact to magnify the pressures it faces to improve its global CSP. Our results within the context of Extractive Industry Multinationals (EIMs) support all our hypotheses for both social and environmental aspects of CSP.

The Grass is Always Greener: Analyzing Home and Host Country CSR Reputation on Firm Internationalization

Luis Dau, Northeastern University  
Elizabeth Moore, Northeastern University  
William Newbury, Florida International University

This study examines the impact of Country CSR Reputation on firm internationalization. We introduce Cooperative Reciprocity Theory from international relations to the international business literature by combining it with Institutional Theory to suggest that firms from countries with high CSR Reputations are more likely to internationalize due to the benefits they experience from their home country profile. However, we propose that firms internationalize to countries with greatly dissimilar CSR Reputations compared to their home countries in order to benefit from the normative institutional gap between them. Moreover, we suggest that the CSR reputation-FDI relationship is positively moderated by the economic distance between two countries. Analyses of 45,354 country pair observations across 7,206 country-pairs from 153 countries and 8 years provides robust support.

## Historical Categorization and Organizational Inattention to Environmental Issues

Xiaoyu Zhou, *ShanghaiTech University*  
 Haoyuan Ding, *Shanghai University of Finance and Economics*  
 Yichuan Hu, *Chinese University of Hong Kong*  
 Xiyi Yang, *ShanghaiTech University*

Recent literature posits that a mismatch between organizational attention scope and issue scale can lead to organizational inattention to strategic issues. This study extends this literature by identifying an underlying mechanism of the mismatch from a historical perspective. Drawing on the literature of organizational category, we develop a novel framework wherein historical categorization is viewed as an important mechanism of contemporary organizational inattention. Based on historical ingredients and qualitative evidence, we use a specific organizational category, regional enterprise, to illustrate how category narrows organizational attention scope, and, in doing so, results in organization's inattention to environmental issues. Our framework is supported by a longitudinal analysis of Chinese public firms' reporting on environmental protection between 2008 and 2014.

## Intangible Assets from CSR and Internal Markets of Business Groups

Anish Sugathan, *Indian Institute of Management Ahmedabad*  
 Rama Mohana Turaga, *Indian Institute of Management Ahmedabad*  
 Sai Chittaranjan Kalubandi, *Indian Institute of Management Ahmedabad*

We posit the existence of a within business group internal market for the exchange of strategic resources and competencies generated by a liate firms' CSR engagements. We show that due to this group-wide sharing of the benefits of CSR, on average the business group a liated firm spends less on CSR relative to standalone firms for achieving similar outcomes. We analyze the transferability of the resources generated by CSR spending and a liate structural factors – strategic centrality and appropriability by owner – to explain the within group distribution of CSR spending. We test the model using a unique 25 year long panel data-set of firms in India and find broad support for the salient predictions of the model.

## Are Foreign Acquisitions Better than Domestic? A Closer Look at Internationalization Theory

Young Hou, *Harvard University*

Internalization theory suggests that when firms expand abroad, multinationals that successfully exploit its intangible assets will increase overall firm value. At the same time, strategy scholars also indicate that when such expansions occur, the acquirer will often be penalized with liability of being a foreigner. Taking note of the two opposing forces, we employ an event study with 35 years of data to examine the effect of firms acquiring internationally and domestically, and the role of a firms' intangible assets. We find that abnormal returns increase more for domestic acquisitions on average and that while technology know-how plays a significant role in foreign acquisitions, it is advertising intangibles that has a more significant impact on domestic acquisitions.

## SESSION 1061

### STRATEGIC CHANGE & RENEWAL

<b>TRACK H</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	09:30 – 10:45
<b>Common Ground</b>	<b>Room</b>	Studio B

**Session Facilitator:** Patricia Klarner, *WU Vienna*

## The Interplay Between Post-Merger Integration and Strategic Renewal and How it Impacts Performance Outcomes

Natalia Vuori, *Aalto University*  
 Timo Vuori, *Aalto University*  
 Quy Huy, *INSEAD*

We conducted a longitudinal real-time study of two parallel processes in Alfa—the post-acquisition integration of Beta into Alfa and strategic changes in Alfa. We contribute to post-acquisition integration and strategic change literature by disentangling the effects of the twin processes of post-merger integration and strategic change and by showing how both processes influence the evolving perceptions, feelings, and behaviors of middle and top managers and how this interaction influences various organizational outcomes.

## The Impact of Strategic Intent on the Dynamic of Reconfiguration Strategy: A Case of Ericsson

Fathiro Putra, *University of Leeds*  
 Saeed Khanagha, *Ericsson*

Incumbents' engage in resource reconfiguration activities when pursuing opportunities in the emerging industry. Prior studies suggest that firms' reconfiguration trajectory might differ depending on their underlying resources prior to the market entry. We take these studies forward by illustrating how the organizational context and a firm's strategic intent towards an emerging industry also influence the emergence of reconfiguration strategy. Through an inductive case study of Ericsson's journey in pursuing opportunities in the merging Internet of Things (IoT), we found a transformation in the firm's reconfiguration strategy as a result of a shift organizational context. In addition, we provide details of the drivers and the mechanisms of the dynamic relationship between strategic intent and resource reconfiguration.

## The Art of Organizational Change: Combining the Craft and Science of Acquisition Integration

David King, *Florida State University*  
 Mai Anh Dao, *University of Innsbruck*  
 Olimpia Meglio, *University of Sannio*  
 Florian Bauer, *MCI Management Center Innsbruck*

The "science" of acquisition research is often separated from the "craft" of professional managers making and implementing decisions surrounding an acquisition. We propose combining craft and science of acquisitions by considering the "art" of organizational change. Acquisitions represent an ideal circumstance for examining organizational change, as combining two separate organizations drives adaptation of operational, cultural, and human practices that takes several years to complete. More explicit consideration of organizational change research in the context of acquisitions can provide a more theoretically driven research agenda that aligns research with the craft of making acquisitions work. We integrate organizational change and acquisition research to develop implications for management research and practice.





Strategizing for the Sake of Killing Boredom: On Time Expansions and Contractions in Strategic Change

Sarah Stanske, *European University Viadrina Frankfurt*  
Jochen Koch, *European University Viadrina Frankfurt*  
Madeleine Rauch, *Copenhagen Business School*

While time has become an important topic in strategy research, the role of an Einsteinian conception of time as dynamic and agentially experienced has only recently gained momentum. We conducted a longitudinal case study in a German IT company going through a series of strategic changes in order to explore the question: “How do conceptions of time develop in strategic change?” We depict that strategic change was enabled by an interplay between expansions and contractions of time among top management. More specifically, we depict that boredom was a pivotal mechanism through which strategic change was initiated. Management experienced boredom, i.e., periods of time expansions, and engaged in strategic initiatives for the sake of “killing” it, resulting in contractions of time.

All That is Well Ends Well

J Ignacio Canales, *University of Aberdeen*  
Bill Wooldridge, *University of Massachusetts, Amherst*

This paper makes use of a 16 year in-depth longitudinal case study to reveal how the strategy making process acts as a link with external environment fostering the survival of the organization. We divide the period studied into five stages whereby each one displays strategies by the organization, environmental effects and rearrangement of the strategy making process within the organization. The long term evolution of the case studied suggests the role of more or less participation/engagement is used as crucial element to link the organization strategy with its environment. Strategy making becomes an evolutionary mechanism by which the organization establishes and reestablishes a fruitful link with the environment adapting and adjusting strategy making to fulfill environmental demands, managing to survive in the long term.

Limits of Strategic Renewal: An Empirical Analysis on Self-Reinforcing Mechanisms Impeding Firms’ Dynamic Capabilities

Rene Sehi, *Worms University*  
Joerg Funder, *Worms University*

This paper enhances the understanding of dynamic capabilities as a critical source of continuous organizational renewal. While focusing on their influencing factors, the paper sheds light on the limits of dynamic capabilities. Self-reinforcing mechanisms are identified as key driving forces of organizational persistence by limiting an organizations’ ability to constantly realign existing resource configurations. Applying a longitudinal quantitative research approach, the paper investigates the impact of self-reinforcing mechanisms on the capacities to sense, seize, and reconfigure, that is the underlying strategic processes of dynamic capabilities. Hypotheses are tested on of four regional German electricity suppliers that were forced reallocate resources and capabilities to cope with environmental changes. This paper contributes to research on dynamic capabilities and self-reinforcing mechanisms by further advancing research into quantitative methods.

SESSION 898  
INNOVATION IN EMERGING MARKETS AND THE WESTERN MNC RESPONSE

TRACK I/G	Date	Monday, Sep 24
	Time	09:30 – 10:45
Parallel Panel	Room	Auditorium

Session Chair  
George Yip, *Imperial College London*  
Panelists  
Heather Berry, *George Washington University*  
Julian Birkinshaw, *London Business School*  
Jaideep Prabhu, *University of Cambridge*

Multinational companies (MNCs) have traditionally conducted R&D and other innovation activities in developed countries. At the same time, most local companies in emerging markets (EMs) have traditionally imitated and adapted rather than innovated. But recent years have seen a new phenomenon of MNCs conducting R&D activities in emerging markets, and EM companies becoming significant innovators. This panel examines the reasons for this change in terms of both local innovation ecosystems and the innovation by EM companies. We will examine the innovation activities of local EM companies from a strategic viewpoint, focusing on the two most dynamic EMs, China and India. The panel will include a perspective on how Western MNCs should respond strategically to the rise of innovation in EMs.

SESSION 1023  
INNOVATION AND INTERFIRM R&D COLLABORATION

TRACK I/N	Date	Monday, Sep 24
	Time	09:30 – 10:45
Paper	Room	Studio D

Session Chair: Rene Belderbos, *KU Leuven*

Sequentiality and Ordering in R&D Project Collaboration with Science-Based and Market-Based Partners

Jingshu Du, *VU University Amsterdam*  
Rene Belderbos, *KU Leuven*  
Bart Leten, *KU Leuven*

We explore coordination challenges firms face when they collaborate with different partners in the context of R&D projects. We develop and test hypotheses on the financial performance consequences of sequencing versus simultaneity in collaborations and the ordering of such sequential collaboration, distinguishing R&D collaboration with market-based (customers, suppliers) and science-based (universities and research institutes) partners. Preliminary findings support the notions that sequentiality may be performance enhancing, in particular when market based collaborations precede science based collaborations.



## Knowledge Transfer via Information Intermediaries: Evidence from Venture Capital Investments

Moonsik Shin, *Purdue University*

Umit Ozmel, *Purdue University*

This study investigates the impact of interfirm relationships on knowledge transfer between high-tech ventures. We build on research stressing the role of information intermediaries and argue that knowledge can be transferred between organizations that are connected indirectly via shared intermediaries. To test our arguments, we investigate entrepreneurial investments made by venture capitalists in medical device industries in the US and analyze patent citation trajectories among these ventures. We find that ventures indirectly connected to other ventures via a common venture capitalist exhibits greater cross-patent citation than those not indirectly connected. We further find that this effect is more pronounced when venture capitalist's incentive to transfer knowledge is closely aligned with that of ventures.

## Who Benefits the Most from R&D Collaboration?

Yiannis Spanos, *Athens University of Economics & Business*

I examine returns to collaborative R&D using the marginal treatment effects framework, a novel methodology for the empirical management literature, which allows me to examine whether the effects are homogeneous across a relevant population, or if instead firms derive heterogeneous benefits based on unobserved characteristics and expectations. I test two contrasting hypotheses: if firms evaluate collaboration based on idiosyncratic traits, then those most likely to collaborate are also those most likely to derive significant benefits (positive selection). Alternatively, it might be that those firms least likely to collaborate are in fact those that would benefit the most had they chosen to collaborate (negative selection). Using Community Innovation Survey data, I find significant heterogeneity in the returns to collaborative R&D and negative selection.

## The Effect of Joint Venture Experience on Subsequent Innovation Capability: Evidence from Chinese Firms

Can Li, *Peking University*

Mona Makhija, *Ohio State University*

Danxue Gao, *Central University of Finance and Economics*

While the literature has suggested that firms can learn valuable new capabilities from their IJV partners, the extent to which local partners actually acquire and sustain such capabilities remains unclear. Using a database of IJVs between Chinese and foreign firms that were later dissolved, we find that, after exiting the joint venture, Chinese firms are able to increase their ability to innovate compared to ongoing joint ventures, and that this capability continued to improve over time. Interestingly, the benefits of IJV participation to Chinese firms were not found to depend on the extent of foreign ownership. These results provide strong evidence that firms are able to improve complex capabilities such as innovation through international joint ventures.

## SESSION 1100

## LEARNING, CAPABILITIES, AND RESOURCE MOBILIZATION

### TRACK K

Date Monday, Sep 24

Time 09:30 – 10:45

Common Ground

Room Studio E

Session Facilitator: David Clough, *University of British Columbia*

## Relative Dependency of Resource: How Entrepreneurs Acquire Resources through Reshaping Power Relationships

Rueylin Hsiao, *National Chengchi University*

Su-Hua Ou, *Soochow University*

Yen-Kuan Wu, *National Chengchi University*

Yen Chih Hung, *Toulouse Business School*

Entrepreneurs exercise resource improvisation and symbolic actions in response to constraints. But how they deploy these bricolage practices under unequal power situation is an issue unaddressed fully. This case study examines the interaction between the low-power actor and its high-power partner in order to design new products. Theoretically, this strategic process suggests that a low-power actor could gain influence through shaping the relative dependency of resources, thereby overcoming constraints in uneven power dynamics. Practically, this research explains how entrepreneurs may acquire resources by reshaping the power relationships with the high-power partner so that resolution achieved. The new pattern of bricolage highlights the relative value of resources so as to reconstruct mutual dependency relatively.

## Coworking: A Disruptive Change for Entrepreneurship

Travis Howell, *University of North Carolina at Chapel Hill*

Mostly unheard of ten years ago, the global number of coworking spaces has grown dramatically in recent years. Due to its prevalence, popularity, and potential for disruptive change, coworking is increasingly relevant to theory, practice, and policy, yet it is largely unstudied given the rapid rise of the phenomenon. Additional research is needed to catch up with practice, which is increasingly embracing coworking. This paper offers exploratory insights into what promises to be an important and impactful phenomenon in the study of entrepreneurship. Specifically, this paper addresses the following question: How (if at all) does coworking help new ventures overcome the liabilities of newness? Overall, the findings suggest new ventures benefit from coworking in substantive ways. Implications for theory and future research are discussed.

## SME Crisis Response and Performance: Empirical Evidence from Russia

Tatiana Beliaeva, *Lappeenranta University of Technology*

Linda Edelman, *Bentley University*

Tatiana Manolova, *Bentley University*

Galina Shirokova, *St. Petersburg State University*

Emerging market SMEs typically operate in penurious, resource-thin environments, further aggravated by frequent exogenous shocks, such as economic or political crises. How do emerging market SMEs weather economic crises? In this study, we explore the complex interplay between market and non-market crisis response strategies and their effect on SME crisis performance. Based on a rare, and robust national random sample of 656 Russian SMEs collected during the recent economic crisis (2015-2016), we find that both a proactive crisis response strategy and effective utilization of managerial networks are positively associated with crisis performance. Interestingly, results also show a negative combined effect of these strategies, suggesting that in an emerging market context market and non-market crisis response strategies appear to substitute, rather than complement each other.



## New Venture Ordinary and Dynamic Capabilities and Environmental Dynamism: A Qualitative Comparative Analysis Approach

Kamran Razmdoost, *ESCP Europe Business School*  
Christian Linder, *ESCP Europe Business School*  
Leila Alinaghian, *Cranfield University*

Despite the widespread agreement on the importance of ordinary and dynamic capabilities to the success of new ventures, little is known about how a configuration of these capabilities may contribute to the early stage development of ventures. Adopting a qualitative comparative analysis approach, we aim to identify alternative configurations of distinct ordinary and dynamic capabilities of founders and ventures that lead to the survival and growth in both stable and dynamic environments. We have illustrated that new ventures require ordinary and dynamic capabilities to survive and perform in both environments. However, the role and nature of these capabilities are different in different environments. We have also explored and explained situations where new ventures are formed and performed in the absence of ordinary or dynamic capabilities.

## How Do Firms Learn to Hit Homeruns? Evidence from Accelerator Program Cohorts

Susan Cohen, *University of Georgia*  
Isin Guler, *University of North Carolina at Chapel Hill*

This study explores whether differences in how firms accumulate experience is associated with performance differences. Using a novel research context, 300 cohorts of accelerator programs, we compare the performance of programs that scaled by adding more cohorts to that of programs that scaled by making cohorts larger. We associate these differences with two types of performance: reducing failure rates and increasing successful outliers, which we call “homeruns.” We also leverage two waves of qualitative fieldwork spanning seven years to unpack what was learned. We plan to contribute to the organizational learning literature by investigating how differences in scaling may impact variance in outcomes, to the early stage financing literature by examining portfolio level returns to accelerators and to the entrepreneurship by unpacking what accelerators learned.

## The Wisdom of the Crowd: How Entrepreneurs and Consumers Learn from Customer Feedback

Christopher Courtney, *State University of New York at Buffalo*  
Yong Li, *State University of New York at Buffalo*

This study explores differences in the decision-making processes used by entrepreneurs and consumers. Building on the nonrational decision-making models from behavioral decision theory we propose the heuristics and decision-making biases used by entrepreneurs and consumers are different. Because of the different roles and behavioral tendencies, we propose that they will respond differently to the same feedback. We propose that customers tend to be risk averse and thus place greater weight on negative feedback in their purchase decisions. In comparison, entrepreneurs tend to be overly optimistic and have already decided to allocate resources to their ventures. Therefore, out of optimism and confirmation bias, entrepreneurs will likely pay greater attention to positive feedback. Additionally, we propose the feedback effect will be more salient absent other information sources.

## SESSION 1095

## ANGEL AND VENTURE CAPITAL

### TRACK K

Date Monday, Sep 24  
Time 09:30 – 10:45  
Room Forum A

### Paper

Session Chair: Andy Wu, *Harvard University*

## The Entrepreneur-Investor-Venture Nexus: What Factors Influence the Decision to Fund a New Venture?

Peter Gianiodis, *Duquesne University*  
Maritza Espina, *St. Ambrose University*  
Gideon Markman, *Colorado State University*

The decision to invest in a startup reflects a constellation of three main factors that affect each other: entrepreneurs, investors and ventures, hereinafter called the EIV nexus. Despite this reality, traditional research studies entrepreneurs or investors or startups individually—rarely the three are analyzed simultaneously or investment choices scrutinized in real time. Using 577 entrepreneur-investor encounters, our study explains how entrepreneurs engage investors to attract funding. Our study analyzes: how entrepreneurs pitch their new ventures, how investors structure and negotiate deals (or avoid making deals), and what venture attributes and value propositions attract and detract investor engagement. Results show that the ability of entrepreneurs to build up rapport and to erect barriers to entry are the strongest predictors of deals.

## When Does the Train Run off the Track? Sustainability of Social Capital under Dynamic Information

Jiamin Zhang, *Tsinghua University*  
Andy Wu, *Harvard University*

Entrepreneurial firms need social capital to facilitate resource exchange relationships in low information markets. The relational component (i.e., reputation) and structural component (i.e., brokerage) of social capital provide valuable information to market actors, enabling firms to form new relationships and mitigate counterparty opportunism. However, positive shifts in the market information regime challenges social capital predicated on the low information environment. We investigate these shifts in a study of startups and their venture capital investors. We exploited the phased introduction of the Chinese high-speed railway system from 1999 to 2015, which reduced the travel time for startups and VCs to resource exchange partners, as an exogenous shock to the existing information regime. While reputation is sustainable and extensible, brokerage advantage deteriorates in the new information regime.

## Mapping Investment Decision Frictions in the Market for Entrepreneurial Finance

Sayan Sarkar, *London Business School*  
Gary Dushnitsky, *London Business School*

Investment in early stage ventures is characterized by high levels of exogenous uncertainty. An investment decision may be swayed by factors orthogonal to the intrinsic economic potential of the focal venture. We study a host of these frictions – spanning the irrational to the (otherwise) rational spectrum—using a proprietary dataset of 751 seed-stage ventures graduating from London-based accelerators over the past decade. We find that successful venture financing outcomes are more likely when an accelerator graduation day (demo day) (a) is sunnier, or (b) experiences a same-day rise in the public stock market, or (c) falls close to the tax-year end (but only for tax-exemption eligible investments). The results inform the entrepreneurial finance literature by peering into the micro-foundations of investor behavior.

## Angel Investor Networks and Coordination Processes

Suho Han, *University of Texas at Austin*

Melissa Graebner, *University of Texas at Austin*

Angel investor networks have become an important global phenomenon as a vital source of funding for early-stage entrepreneurial ventures. Despite their importance for entrepreneurs, investors, and policy makers, we have little insight into how these angel networks organize to coordinate key activities over time. Through a multiple case study of eight angel networks, we explore how these organizations coordinate several tasks while managing a diverse and voluntary membership. We find that angel networks face two coordination tensions related to expertise and commitment. These organizations attempt to resolve these tensions through solutions that resemble hierarchical organizations. However, these solutions create instability, leading to membership disengagement, and forcing these organizations to scale back their solutions. Overall, we provide new insights into angel networks, fluid organizations, and coordination.

SESSION 968

## HUMAN CAPITAL LOSSES: ANTECEDENTS AND CONSEQUENCES OF TURNOVER

TRACK L

Date Monday, Sep 24

Time 09:30 – 10:45

Common Ground

Room Studio G+H

Session Facilitator: Anthony Nyberg, *University of South Carolina*

## Keep Your Hands off My Employees!: Myths and Realities of Demand-Side Mobility Constraints

Dorothea Roumpi, *University of Arkansas*

John Delery, *University of Arkansas*

Acknowledging the importance of human capital and the threat unsolicited job offers pose to human capital-led competitive advantage, this study focuses on demand-side mobility constraints. Specifically, we conduct an exploratory qualitative study that aims at utilizing the insights of executive search consultants to create a framework of organizational deployments that discourage competitors and other organizations from recruiting the valued human capital of the focal organization. Preliminary results indicate that organizations can adopt anticipatory and reactive tactics. Creative titling, overtitling, and developing the reputation of having a culture that creates unrealistic expectations regarding the value of employees' human capital are among the most effective tactics, whereas the effectiveness of noncompetes, retention bonuses, and counteroffers is indicated to be short-lived.

## When Losers Become Leavers: Rejection and Turnover in Internal Labor Markets

JR Keller, *Cornell University*

Kathryn Dlugos, *Cornell University*

Internal mobility benefits firms and workers. However, efforts to facilitate internal mobility also increase competition and the likelihood that employees will be rejected for jobs. We posit that rejection provides information to workers about their prospects of future internal advancement and explore under what conditions a worker is more or less likely to voluntarily exit the firm following rejection. Using data on 1,660 rejections in a large US organization, we find that candidates are less likely to exit if another internal candidate is hired, if they are interviewed by the hiring manager, and if they are attempting to make an uncommon job move. The theory and findings provide insight into how organizations can manage the hiring process to increase their chances of retaining valuable employees.

## Overload and Intention to Leave: The Negative Effects of Employees' Network Embeddedness

Natalie David, *Baden-Wuerttemberg Cooperative State University Karlsruhe*

Olaf Rank, *Albert Ludwig University of Freiburg*

This study investigates possible negative effects of employees' embeddedness in intraorganizational knowledge exchange networks which have been largely ignored by previous research. Specifically, this analysis explores the relationship between two exposed positions in the network, i.e., centrality and brokerage, and employees' perceived role overload, as well as their subsequent performance evaluation and intention to leave. For the empirical analyses, data have been collected from all employees within a medium-sized company in the southwest of Germany (n=153) and structural equation modeling has been performed. The results show that employees who provide knowledge to numerous coworkers and those who act as knowledge brokers between unconnected others are likely to feel overloaded, leading them to overevaluate their performance and increasing their intention to leave the organization.

## Investor Responses to Changing Enforceability of Employee Non-Competes

Lauren Aydinliym, *Baruch College-CUNY*

Petra Christmann, *Rutgers University*

Human capital (HC) is widely recognized as critical to the existence and sustainability of firm competitive advantage. However, HC-based competitive advantage is possible only if isolating mechanisms insulate proprietary firm HC from competitors. We conceptualize employee non-compete agreements (NCAs) as such an isolating mechanism, and explore the role of state-level enforcement of NCAs in generating HC-based competitive advantages, and the role of complementary assets in shaping this relationship. Using event study methodology, we examine stock market performance of in-state publicly-traded firms using a quasi-natural experiment of a change in state enforceability of NCAs. Preliminary findings suggest NCAs may operate as an isolating mechanism that helps protect firm HC from competitors, but that HC operates as a complementary asset with both R&D and physical capital investments.

## Resource Allocation Solutions for Star Inventors and Their Turnover Implications

Arianna Marchetti, *INSEAD*

Ithai Stern, *INSEAD*

We examine how firms in innovation-intensive industries allocate their star inventors to R&D projects, and how such resource allocation decisions affect individual likelihood of turnover. We elaborate on two key features of corporate inventors, namely their heterogeneous contribution to firms' performance and their mobility, to advance the literature on resource allocation. By drawing on data on European inventors' patenting activity, we find that firms face a higher incentive to allocate their star inventors to those R&D projects enabling innovation and commercialization of science, yet the allocation to these projects has both positive and negative implications for turnover. The contrasting effects, explained by the conflicting logics leading firms and inventors to science, suggest a complex interplay between resource allocation and retention ability over stars.



SESSION 1045  
IDENTITY, HYBRIDITY, AND LEGITIMACY

TRACK M/K	Date	Monday, Sep 24
	Time	09:30 – 10:45
Paper	Room	Forum B

Session Chair: Trenton Williams, *Indiana University*

Emergent Strategy Threats to Identity and Legitimacy

David Jorgensen, *University of Memphis*  
Ronei Leonel, *University of Memphis*  
Frances Fabian, *University of Memphis*

Conventional wisdom implies that servicing a “gold rush” should be an attractive strategy, drawing an onslaught of suppliers to set up shop and skim their share of monopoly profits. Such a supposition, though, assumes that entrants a) perceive the gold rush, b) accept its legitimacy as an ongoing opportunity, and c) recognize that their tool retail distribution business is a good fit for miners in the “Wild West.” Conducting case analysis consisting of archival, qualitative, and economic data, we integrate identity and legitimacy to detail the dilemma makers of graphics cards face today in an effort to maintain their traditional identity while servicing a new, profitable demographic, i.e. cryptocurrency miners who rely on graphics cards to do their work.

Communities of Inquiry in Opportunity Co-creation: Shades of Hybridity in Emergent Organizing

Trenton Williams, *Indiana University*  
Dean Shepherd, *University of Notre Dame*

We conducted an inductive qualitative study of emergent hybrid ventures in the aftermath of the 2010 Haiti Earthquake and explore the organizing processes of entrepreneurs in collaboration with communities of inquiry. Hybrid organizing is increasingly common in contemporary organizations as they seek to address various stakeholder needs by combining charity and commercial performance. We found that hybrid forms emerged as a process stemming from interactions between founders, communities and emerging opportunities. Together, founder identity and opportunity perceptions shaped how emerging ventures acquired resources, interacted with the community, and ultimately generated financial and non-financial outcomes. We draw attention to the dynamic relationship between communities of inquiry and founders identity in shaping nascent ventures’ activities and hybrid performance-contributing to the hybrid organizing and strategic entrepreneurship literature.

The Hybridization of Organizations: A Formal Comparative Approach

Sophie Bacq, *Northeastern University*  
Regis Coeurderoy, *ESCP Europe Business School*

Hybrid organizations that combine aspects of multiple organizational forms represent a groundbreaking innovation in management. Yet, numerous internal and external tensions arising between these multiple organizational forms question their very existence and may lead to the hasty conclusion that hybrid organizations represent a hazardous, instable and unviable mode of governance. There is, however, growing evidence that hybrid organizations not only emerge but also survive across industries. Following the methodology developed by organizational economists, we propose a theoretical explanation of why hybrid organizations as a fully-fledged governance mode exist. Our formal comparative approach of hybrid organizations compared to alternative modes of governance—the private profit-seeking organization on the market side, and the public government-based organization on the social side—complements the tension-centered approach that dominates the extant literature.

Social Media, Loyalty, and Organizational Performance

Anil Doshi, *University College London*  
Shiladitya Ray, *Expedia*

We explore the relationship between expressions of loyalty on social media and organizational performance outcomes. Using Twitter and television show ratings, we find that the number of individuals following an organization’s Twitter account prior to the realization of a repeated performance outcome is positively associated with that outcome. We present evidence of the heterogeneity in the effect, by looking at organizations that match the demographics of the social network, niche product categories, and the organization’s initial stocks of loyalty. Our results indicate that social media effectively diminishes the distance between the organization’s boundaries and outside stakeholders. This reduction in distance underlines the importance for firms to manage to their non-transaction interactions on social media.

SESSION 1006  
THE ROLE BIASES IN THE EXECUTIVE SUITE

TRACK O	Date	Monday, Sep 24
	Time	09:30 – 10:45
Paper	Room	Forum F

Session Chair: Federico Aime, *Oklahoma State University*

The Glass Pyramid: Informal Gender Status Hierarchy on Boards

Livia Markoczy, *University of Texas at Dallas*  
Li Sun, *University of Massachusetts, Lowell*  
Jigao Zhu, *University of International Business and Economics*

Drawing on the status characteristic theory, we investigate the effect of gender on board directors’ status ranking and find that all else being equal, female directors’ status ranking is 20.37% lower than that of male directors, a discrepancy that is attributable to gender. We theorize on the mechanism that determines the ways in which the status value of gender on a board affects board interactions, and predict how this mechanism influences firm outcomes, including social responsibility performance (CSR), excessive managerial spending, and firm risk. We test our hypotheses for boards in Chinese firms using an unbalanced panel that includes 5,396 firm-year observations (86,019 director-year observations) for a period of six years and find them supported.

The Ambiguous Trap of Higher Expectations: Female CEOs and Market Performance

Tessa Recendes, *Oklahoma State University*  
Federico Aime, *Oklahoma State University*  
Oleg Petrenko, *Texas Tech University*  
Cynthia Wang, *Northwestern University*

We set forth and test a theory of the causes for negative reactions by investors to the appointment of female CEOs. We suggest that the perception of female CEOs’ performance is negative because their performance is compared with outgrown analysts’ expectations for a variety of reasons. In a sample of 1,085 firms from 2000-2014, we find that analysts’ expectations for firms led by female CEOs are higher than for those led by their male counterparts. In turn, these higher expectations increase their firms’ likelihood of falling below expectations, which has substantial consequences on their market performance. Therefore, despite no significant performance differences between firms led by CEOs of different genders, the higher expectations imposed on firms with female CEOs has significant impact on market performance.



## The Old Lion Syndrome: Examining the Tendency for Older Male CEOs to Hire Female Executives

Elias Aleman, *Stevens Institute of Technology*

Ann Mooney Murphy, *Stevens Institute of Technology*

Increased attention is being paid to how to improve the small proportion of female executives in organizations today. In this paper, we examine the role of the CEO in the hiring process, and find that CEO age relates positively to hiring female executives. The reasoning however isn't that these CEOs are older and wiser; rather, it seems that older male CEOs hire female executives because they view them as less threatening to their position in the organization. Using data drawn from 80 executives and 803 hiring decisions, we find this main effect is weakened when the board of directors is male-dominated and when the CEO has other sources of power that seemingly makes his position less vulnerable. We discuss implications for future research and practice.

## Examining the Executive Gender Wage Gap through the Lens of First Names

Ann Mooney Murphy, *Stevens Institute of Technology*

Murad Mithani, *Stevens Institute of Technology*

Even after taking more rational explanations into account, a gender wage gap exists at the executive level and is reported to be in part to biases about female executives not aligning well with shared societal beliefs about the prototypical desirable leader. In this study, we examine one of the most common markers of gender – a person's first name. Unlike most studies that consider the executive gender wage gap from the perspective of female executives, we look at both female and male executives. Specifically, we find evidence that the executive gender wage gap is reduced when a female executive has a more masculine name. By contrast, male executives can be penalized when their first name is more masculine. Implications for research and practice are discussed.

### SESSION 1000

#### CEO COMPENSATION

<b>TRACK O</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	09:30 – 10:45
<b>Paper</b>	<b>Room</b>	Forum E

**Session Chair:** Miriam Flickinger, *Aarhus University*

## Internal Uncertainties, Dependence Changes and CEO Pay Premiums

Pavithra Balaji, *University of Texas at Dallas*

Although it has been recognized that CEO power may influence CEO compensation, we know little about how the dependence of an organization on the CEO may influence the CEO's pay premium. Drawing on resource dependence theory (RDT), we argue that a firm's strategic change may create internal uncertainties that increase the dependence of the firm on the incumbent CEO to manage these uncertainties. As a result, strategic change may increase the CEO's pay premium. However, the proposed effect of strategic change can be reduced when alternatives to the focal CEO exist in the internal or external labor market. This study advances the RDT perspective by shifting research attention away from CEO power toward the emphasis of internal uncertainty and executive dependence to explain CEO compensation.

## Unwanted Outcomes of the 'Iron Wrist'— Evidence from Chinese Executive Compensation Regulation

Bailu Liu, *East China Normal University*

Yan Anthea Zhang, *Rice University*

Changjiang Lyu, *Fudan University*

This study examines whether the compensation regulation designed to deal with "excessive" executive compensation works as expected to improve compensation efficiency and hence create value for shareholders. Taking advantage of the compensation restriction on state-owned enterprises (SOEs) in China, we find evidence that acquisition intensity, firm growth rate, and firm value decrease more in SOEs whose executive compensation packages are regulated with an upper limit by the government than those in non-SOEs without. We contribute to the strategic literature by highlighting that the compensation regulation which affects managerial incentives may lead to a series of unexpected adverse consequences on firm behaviors.

## Status vs. Identity: The Influence of Board Networks on Family CEO Compensation

Miriam Flickinger, *Aarhus University*

Elisabeth F. Mueller, *University of Passau*

This study focuses on how board networks influence family CEO compensation. We contrast arguments from two streams of literature predicting conflicting results. First, based on corporate governance literature, we hypothesize that when family CEOs hold higher numbers of outside board seats, their compensation rises as their human and social capital increases. Second, we use arguments from literature on family firms, social identification, and the concept of socioemotional wealth to argue that family CEOs who are embedded in board networks with other family firms will identify more strongly with family firm logics. These family CEOs feel more committed to non-economic goals, strive less for increasing personal status, and accept lower compensation. Using a sample of S&P500 firms, we find support for the second line of arguments.

## Misalignment of Contribution and Pay: When do CEOs capture more/less than the value they create?

Aneesh Datar, *Bocconi University*

Arnaldo Camuffo, *Bocconi University*

Russell Coff, *University of Wisconsin-Madison*

We examine the relationship between CEOs' contributions to value creation and their pay. Findings demonstrate that variation in CEO value creation is not reflected in variation in their pay. Variation in pay is significantly larger than variation in CEO contributions. We explain this finding through supply-side and demand-side mechanisms. On the supply-side, we find that CEOs opt for non-monetary pay and accept pay that is lower than their next-best offer. On the demand side, we find that firms are unable to accurately assess CEO human capital. This study is among the first to directly examine the relationship between variation in managerial value creation and managerial value capture.





SESSION 1050  
EXPERIMENTAL RESEARCH IN STRATEGY

TRACK P	Date	Monday, Sep 24
	Time	09:30 – 10:45
Paper	Room	Forum C

Session Chair: Giada Di Stefano, *HEC Paris*

Overcoming Strategic Persistence: Effects of Hypothetical Thinking on Strategic Reorientation  
Mark Healey, *University of Manchester*  
Gerard P. Hodgkinson, *University of Manchester*

Strategic persistence is a well-known impediment to strategic adaptation but few studies have focused on means of alleviating its effects. We build on theory in cognitive psychology to examine one potential means of overcoming the potentially deleterious effects of strategic persistence: hypothetical thinking. In a laboratory study using a multi-round business simulation involving radical environmental change, we found that hypothetical thinking alleviated the effects of strategic persistence by stimulating strategic reorientation, i.e. adaptive shifts in patterns of strategic choice. We observed that the effectiveness of hypothetical thinking was partially moderated by past performance and that hypothetical thinking aids strategic reorientation by fostering belief in a new strategy. We discuss implications for theory and research in behavioral strategy.

An Examination of Openness in Fundamental Science  
Giada Di Stefano, *HEC Paris*  
Maria Rita Micheli, *IESEG School of Management*

Scientific and economic progress is based on the ability of individuals to “stand on the shoulders of others” by building on their ideas. Unfortunately, access to others’ ideas is often impeded by the incentive of knowledge holders to protect the private value of knowledge by keeping it secret. In this study, we aim at getting a better understanding of the conditions under which individuals are more likely to transfer their private knowledge, despite the benefits associated to keeping it secret. To this end, we are conducting a field experiment with physicists in the ATLAS and CMS experiments at the European Organization for Nuclear Research (CERN). Our study contributes to a better understanding of openness, secrecy, strategic information withholding, and their ultimate impact on scientific progress.

Categorical Cognition and Outcome Efficiency in Impact Investing Decisions  
Matthew Lee, *INSEAD*  
Arzi Adbi, *INSEAD*  
Jasjit Singh, *INSEAD*

The “impact investing” approach optimizes an objective function that values both financial payback and social benefit. For investors that value both types of outcomes, such joint optimization offers potential for greater efficiency than independent allocation decisions (i.e. financial investing and charitable giving), given the availability of investment options that produce both outcomes (i.e. social enterprises). Behavioral factors, however, may limit the realization of increased efficiency. We conduct two online experiments that examine conditions under which individuals achieve theoretically-efficient outcomes in an impact investing task. Experiment 1 documents a widespread failure among participants to choose allocations that are outcome efficient. Experiment 2 finds that suppressing “categorical cognition” by removing categorical labels (such as “social enterprise”) from the investment options improves outcome efficiency.

Cooperating through Technology: The Emergence of Generalized Exchange

Sheen S Levine, *University of Texas at Dallas*  
Wayne Baker, *University of Michigan*

Technology enables individuals, crowds, and organizations to collaborate in new ways, not possible before: sharing knowledge, forming collaborations, pooling crowds. Yet these exciting new developments rely on an ancient principle: generalized exchange, in which individuals unilaterally contribute to others, absent direct rewards, expecting “pay it forward”. It is foundational for cooperation in firms and greater society, but scholars disagree on how generalized exchange emerges. Drawing on the social and biological sciences, we craft an integrated model and test it using economic experiments, conducted in the Western world and outside it. Analyzing some 8,000 decisions, we find surprisingly high levels of cooperation, even among strangers—and hints on what enables it. The results assist in fostering more technology-enabled cooperation among individuals, in crowds, and throughout organizations.

SESSION 1063  
RESOURCES AND INNOVATION: METHODS CHALLENGES

TRACK R	Date	Monday, Sep 24
	Time	09:30 – 10:45
Common Ground	Room	Studio I+J

Session Facilitator: Asli Musaoglu Arikan, *Kent State University*

A Design Science Research Methodology for Strategic Management Research

Oussama Darouichi, *University of Neuchatel*  
This research addresses the rigour-relevance dilemma in the field of strategic management. We advocate that strategic management should embrace design science research (DSR) in order to develop prescription-driven research. After reviewing the rigour-relevance dilemma, we describe how DSR is a convincing solution to the dilemma. Some scholars in the field of organization science provided some broad guidelines on how to conduct DSR in management. What is largely missing from the current academic understanding in management is a holistic DSR methodology. Based on existing research on DSR in IS, engineering, computer science and organization science we present a holistic methodology aiming at developing prescription-driven research. We conclude by providing future research directions to embrace DSR in strategic management.

The Importance of Differences: Modeling Heterogeneity Preemptively  
Nidhitha Lin, *University of Newcastle*  
Timothy Devinney, *University of Leeds*  
Brian Boyd, *City University of Hong Kong*

This study offers three contributions to address the important issue of heterogeneity. First, to show the theoretical implications of different assumptions about the form and structure of heterogeneity and how a more robust approach is called for. Second, to show how research has been constrained empirically by the dominant approaches to heterogeneity. Third, to show how the duality between theoretical logic and empirical models needs to be more carefully considered and what the implications are for the power of our tests of theory. We show that there is a logical link between the theoretical structure and the type and form of estimation models allowing for more parsimony in theory and testing and how such change in logic requires a rethinking of heterogeneity in management literature.

MONDAY 09:30 – 10:45

## The Confounding Effect of Network Dependency on Centrality Measures

Namil Kim, *KAIST*

Wonjoon Kim, *KAIST*

In management studies, many scholars regress centrality measures on the strategic variables of interest. However, we show that centrality measures in regression models might show statistical significance even when the relative position of the network does not have any effect. This is because a centrality measure can falsely capture underlying interunit interactions or network dependency. Therefore, in this study, using a spatial model, we show that when these interactions or network dependency are controlled between different entities, the estimate and the statistical significance of a centrality parameter decrease. We provide an example using the well-known alliance and financial data in which, under a spatial model, the statistical significance of centrality measures is not meaningful in the productivity model of the pharmaceutical industry.

## Expansion, Simplification, and Clarification: A Physicist's Wander in Management Research

Peiran Su, *Oxford Brookes University*

Management research has benefited traditionally from sociology, psychology, and economics. Many explanations provided by existing theories remain controversial, ambiguous, and inadequate. Will management research benefit from natural sciences? If so, how does physics inform management research? Using the method of theory elaboration, I contrasted laws of physics with theories of management and (re)structured relationships between key constructs in three cases. This research contributes to the emerging debate on meaningful theoretical progress and theoretical precision, offering a novel way of seeing management research as a physicist.

## Computational Approaches to Latent Construct Detection in Strategy Research: Generating Novel Hypotheses through Deep Learning

Elham Asgari, *Virginia Tech*

Kaveh Bastani, *Unifund*

Richard Hunt, *Virginia Tech*

David Townsend, *Virginia Tech*

Strategic management lies at the confluence of diverse disciplines, actively engaging research streams in economics, sociology, psychology, policy studies, geography among others. As the volume and complexity of these relationships broaden and deepen, the resulting paradigmatic diversity undermines the conceptual cohesion of theoretical fields. To ensure the continued commensurability of strategic management research, new methods and approaches for identifying important new constructs are needed. Answering that call, this paper introduces latent Dirichlet allocation (LDA), an effective computational method for automatically generating hypotheses, unmasking core assumptions, and advancing promising new lines of inquiry. In building a case for the use of LDA in strategic management, we illustrate construct detection and hypothesis generation in the case of absorptive capacity.

## SESSION 1138

## SRF RESEARCH IN ORGANIZATIONS PRESENTATIONS

### TRACK 5

Date Monday, Sep 24

Time 09:30 – 10:45

### Special Panel

Room Scene DEF

### Session Leaders

Michael Leiblein, *Ohio State University*

Catherine Maritan, *Syracuse University*

### Panelists

Rodolphe Durand, *HEC Paris*

Paul Gouvard, *HEC Paris*

Marieke Huysentruyt, *HEC Paris*

Geoffrey Kistruck, *York University*

Janet McCarthy, *Goodwill Industries*

Renay Panoncialman, *Goodwill Industries*

One of the benefits of the Research in Organizations Grant Program is the opportunity to present the ongoing research of the grant recipients. The objective of the RiO program is to support empirical studies conducted in organizational settings in which Scholars collaborate with managers to address a problem important to both the theory and practice of strategic management. This session will feature the research taking place with the Danone Group and Goodwill Industries.



Strategy Research  
FOUNDATION

MONDAY 09:30 – 10:45

10:45 – 11:15

COFFEE BREAK & SRF PRESENTATIONS



SESSION 1157

◆ CK PRAHALAD DISTINGUISHED SCHOLAR-PRACTITIONER AWARD

TRACK PLENARY	Date	Monday, Sep 24
	Time	11:15 – 11:45
Keynotes	Room	Scene BC

**Panelists**

David Teece, *University of California, Berkeley*

Introduced in 2011, this award was created to honor the legacy of CK Prahalad. The award recognizes excellence in the application of theory and research in practice. This includes, but is not limited to, contributions to knowledge through the extraction of learning from practice; authored scholarly works that have substantially affected the practice of management; and/or the integration of research and practice. A scholar-practitioner who has used applied learning to influence how theory and research guide practice is honored with this award, with special attention given to individuals whose contributions have shaped the understanding of global strategic leadership.

The 2018 recipient of the CK Prahalad Distinguished Scholar-Practitioner Award is, David Teece, University of California, Berkeley.



DAVID TEECE is the Thomas W. Tusher Professor and director of the Tusher Center for the Management of Intellectual Capital, University of California, Berkeley. He is also chairman and cofounder of Berkeley Research Group, an expert services and advisory firm with offices in 40 locations globally. David Teece is an authority on subjects including corporate strategy, innovation, strategic management, economics of technological change, technology transfer, and antitrust economics. He has a Ph.D. in economics from the University of Pennsylvania, has held positions at Stanford University and Oxford University, and has eight honorary doctorates. He has testified before Congress on regulatory and competition policy, is author of over 200 books and articles, and is the editor of *Industrial & Corporate Change*. According to *Science Watch*, he is the lead author on the most cited article in economics and business worldwide. He is an SMS Fellow and is an active angel investor in technology startups.

MONDAY PLENARY

## SESSION 951

**STAKEHOLDER STRATEGIES**

<b>TRACK PLENARY</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	11:45 – 12:45
<b>Plenary Panel</b>	<b>Room</b>	Scene DEF

**Session Leaders**

Witold Henisz, *University of Pennsylvania*  
 Anita McGahan, *University of Toronto*

**Panelists**

Robin Nuttall, *McKinsey & Company*  
 Margot Scheltema, *Nederlandsche Bank*

This panel will discuss recent progress in integrating Environment, Social and Governance Factors into the Strategic Management of multinational corporations from the perspective of a Board Member of a leading ethical bank, insurance company, logistics company who also serves on the Audit Committee for the national pension fund as well as a partner at McKinsey leading their practice on Regulatory and Government Affairs. The panelists will discuss their experiences and observations on progress in mainstreaming these risks as well as remaining obstacles in the process of integrating stakeholder perspectives on these risks into strategic management. The discussion will touch on climate change, water scarcity, human rights in the supply chain as well as policy and regulatory risks including Brexit, other policies of de-globalization, nationalism, populism and nativism.



**WITOLD J. HENISZ** is the Deloitte & Touche Professor of Management in Honor of Russell E. Palmer, former Managing Director at The Wharton School of The University of Pennsylvania. His research examines the impact of political hazards on international investment strategy including efforts by multinational corporations to engage in corporate diplomacy to win the hearts and minds of external stakeholders. His research has been published in top-ranked journals in international business, management, international studies and sociology and he is the author of the book "Corporate Diplomacy: Building Reputations and Relationships with External Stakeholders". Witold has won multiple teaching awards at the graduate and undergraduate levels and also teaches extensively on the topic of Corporate Diplomacy in open enrollment and custom executive education programs. He is currently a principal in the political risk management consultancy PRIMA LLC whose clients include multinational corporations, intergovernmental organizations and the United States government.



**ANITA M. MCGAHAN** is Professor and Connell Chair in Management at the University of Toronto. She is also faculty in the MacArthur Research Network on Opening Governance. In 2013, she was elected by AOM's membership to the Board of Governors and into the Presidency rotation. Her credits include four books and over 150 articles, case studies, notes and other published material on competitive advantage, industry evolution, and financial performance.

Anita McGahan has been recognized as a master teacher for her dedication to the success of junior faculty and for her leadership in course development. In 2010, she was awarded the Academy of Management BPS Division's "Irwin Distinguished Educator Award" and, in 2012, the Academy conferred on her its Career Distinguished Educator Award for her championship of reform in the core curriculum of Business Schools. In 2012, Anita McGahan was elected a Fellow of the Strategic Management Society.



**ROBIN NUTTALL**, partner at McKinsey & Company in London, leads the work in Regulatory and Government Affairs, and has served both regulators and corporates on strategy and organization across a range of sectors and geographies including utilities, consumer goods, healthcare, travel, and banking. Robin is the co-author with Lord Browne and Tommy Stadlen of "Connect: How companies succeed by engaging radically with society." This book sets out a new basis for competitive advantage, underpinned by fundamental change to the way companies interact with external stakeholders. Before joining McKinsey, Robin was a research officer at the Institute of Economics & Statistics, Oxford, where he published on antitrust policy for regulated industries and co-authored the first book covering the EU Merger Control—"Merger in Daylight." Robin holds an economics doctorate from Oxford, was a Henry Fellow at Harvard, and has masters and undergraduate degrees in economics from Cambridge.

**MARGOT SCHELTEMA** has held many financial positions for Shell International abroad. In 2004 she returned as Financial Director of Shell Netherlands. In 2009 she switched her career into non-executive positions. Current responsibilities include the TNT Express, De Nederlandsche Bank, Nedap (Nederlandsche Apparatenfabriek) and Lonza AG (Switzerland). Furthermore she holds the position of chair of the Monitoring Committee for the Pension Fund Code, Council for the Dutch Enterprise Chamber of the Amsterdam Court of Justice, member of the Supervisory Board of World Press Photo, treasurer of the Genootschap Onze Taal and a board member the Nederlandse Bachvereniging.



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## SESSION 952

**DIGITAL DISRUPTION: A LOOK AT INDUSTRIES AND THEIR FUTURES**

<b>TRACK PLENARY</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	11:45 – 12:45
<b>Plenary Panel</b>	<b>Room</b>	Scene BC

**Session Leader**

Ha Hoang, *ESSEC Business School*

**Panelists**

Nancy McKinstry, *Wolters Kluwer*

Rashik Parmar, *IBM*

Pierre Peladeau, *Strategy&*

Annabelle Gawer, *University of Surrey*

In this session, our panelists will explore the transformative potential of digital innovations on incumbent business models. We will highlight the clusters of emerging technologies that will have the biggest impact on current business models and alter firm interactions with customers, suppliers, regulators and new entrants. Building on their diverse experiences, our senior leaders will discuss how companies can transform traditional businesses to leverage the opportunities represented by digital innovations and overcome key challenges. Finally we will address whether and how firms can use partnerships to better position themselves in this dynamic environment.



**HA HOANG** is Professor in the Management Department at ESSEC Business School, located in Paris, France and Singapore (PhD University of California-Berkeley). Her research interests focus on strategic alliances, the determinants of alliance performance, drivers of novelty-seeking in product development, and founder role identity in the entrepreneurial process. Her work has appeared in journals such *Academy of*

*Management Journal*, *Administrative Science Quarterly*, and *Strategic Management Journal*. She serves on the editorial boards of leading journals in management, strategy and entrepreneurship including *Strategic Entrepreneurship Journal* and *Strategic Management Journal*. She also serves as a senior editor at *Organization Studies*.



**NANCY MCKINSTRY** is Chief Executive Officer and Chairman of the Executive Board of Wolters Kluwer since September 1, 2003, and Member of the Executive Board since June 1, 2001. Before assuming her present position in 2003, Ms. McKinstry gained more than a decade of experience at Wolters Kluwer and its operating companies in North America. She was President and CEO of Legal Information Services, currently part of Wolters Kluwer's Governance, Risk &

Compliance division. Earlier, she held product management positions with Booz & Company (formerly Booz Allen Hamilton), where she focused on assignments in the media and technology industries. Nancy has repeatedly been included in leading lists of business media as one of the most powerful women in business. She is among *Fortune's* International Most Powerful Women in Business list, which noted in the 2016 edition 'her transformation of the company into a digital powerhouse'.



**RASHIK PARMAR** is the leader of IBM's European technical community and an IBM Distinguished Engineer and previous President of IBM's Academy of Technology. He is currently advising clients on their cloud innovation roadmap from a technology and business perspective drawing on thirty-four years of practical experience in IBM. Overall, he specialises in ensuring the technical success of complex IT projects that transform business models. Some of his work is

summarised in the HBR Article he co-authored "New Patterns for Innovation". Rashik was appointed to the Leeds City Region Local Enterprise Partnership Board and chairs the Employability and Skills Panel. Rashik is also IBM's Partnership Executive for Imperial College – London, and is an Adjunct Professor at the Imperial College Business School and Visiting Professor to the Intelligent Systems and Networks. Rashik was awarded an MBE (Member of the Order of the British Empire) as part of the HRH Queen Elizabeth's 90th birthday honours for his contribution to business and innovation.



**PIERRE PELADEAU** is a Partner with PwC Strategy& based in Paris. With 25 years of consulting experience, he is leading PwC's digital strategy & transformation consulting activities in France. Pierre has been helping clients define their digital vision, ambition and strategies for over six years, combining the business, experience and technology views that are required to succeed in these transformation journeys. He has been leading digital strategy

and digital transformation programs at large international companies across a variety of industries, including telecommunications, technology, energy, utilities, aerospace, and retail. His specialty is around holistic digital transformation encompassing the entire business, and the impact of disruptive technologies and how companies can take advantage of them to transform their business. Pierre is also the author of several publications on the impact of digital and how companies globally and across industries are dealing with these disruptions.



**PROFESSOR ANNABELLE GAWER** (PhD, MIT Sloan) is Professor of Digital Economy and Co-Director of the Centre for Digital Economy, University of Surrey Business School. She has held academic positions at Imperial College and INSEAD. She is an expert on digital platforms and on platform-based innovative business ecosystems with two books *Platform Leadership*, and *Platform, Markets and Innovation* and over a dozen articles in top international journals. Prof. Gawer's seminal research explains how innovation and competition interact to shape platform-based markets and the digital economy. Her research has been published in leading journals including *Research Policy*, *Organization Studies*, *Journal of Economics and Management Strategy* and the *European Management Review*. In addition, she is the author of reference book chapters on platforms and ecosystem innovation in the *Oxford Handbook of Innovation Management*, and the *Elsevier Encyclopedia for Social and Behavioral Science*.



## SESSION 953

## SHARING THE GAINS OF GLOBALIZATION

<b>TRACK PLENARY</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	11:45 – 12:45
<b>Plenary Panel</b>	<b>Room</b>	Scene A

## Session Leader

Rodolphe Durand, *HEC Paris*

## Panelists

Martine Durand, *OECD*

Michael Fuerst, *Novartis AG*

Since a decade now, global institutions and government and business leaders have all questioned economic growth and its benefits. While economic expansion benefits to more on average, worrisome evidence signals that the gains of globalization have not been shared with equity across countries and societies. In its effort to assess well-being of nations, OECD turns itself now to firms and economic organizations to assess and increase the qualitative aspects of GDP growth. Firms operating in sectors with direct impact on consumers' wellbeing play a pivotal role in generating and sharing value and benefits with broader society. This panel will gather expertise from these transnational institutions and global firms to share with academia their views on how to share the gains of globalization.



**RODOLPHE DURAND** is the HEC Foundation Chaired Professor of Strategy at HEC-Paris and the academic director of the Society and Organizations Center which he launched in 2009. Rodolphe's primary research interests concern the sources of competitive advantage and the interplay between the cognitive and normative determinants of organizations' performance. For his work on these questions that integrate research streams from sociology, philosophy, and management, Rodolphe received the American Sociological Association's R. Scott Award in 2005, the European Academy of Management/Imagination Lab Award for Innovative Scholarship in 2010, and was inducted Fellow of the Strategic Management Society in 2014. Rodolphe is also a prolific author of books where he puts in perspective the new foundations of management, notably: *Organizational Evolution and Strategic Management*, *The Pirate Organization: Lessons from the Fringed of Capitalism* (co-authored with JP Vergne), and *Organizations, Strategy, and Society: The Orgology of Disorganized Worlds*.



**MARTINE DURAND** is the Director of Statistics and Chief Statistician of the OECD. She is responsible for providing strategic orientation for the Organisation's statistical policy and oversees all of OECD's statistical activities. She is responsible for the Organisation's work on the measurement of people's well-being and societal progress, promoting the analysis and use of well-being and sustainability indicators for policy-making. This work features regularly in the flagship publication "How's Life?" and related reports on well-being, inequalities and sustainable development. She was formerly Deputy-Director of Employment, Labour and Social Affairs where she was responsible for OECD's work on employment and training policies, health and social policies, and international migration published in OECD flagship reports. Ms. Durand graduated in mathematics, statistics and economics from the Paris VI University, the Ecole Nationale de la Statistique et de l'Administration Economique (ENSAE) and the University of Wisconsin-Madison.



**MICHAEL FUERST** has close to 20 years of experience in CR and business ethics. Michael is currently responsible for CR Strategy and Innovation at Novartis AG. He has significant experience in CR Strategy, access to healthcare, inclusive business model innovation, base of the pyramid strategies, measurement & evaluation, investor relations re ESG, stakeholder engagement, materiality, impact valuation, Human Rights and behavior-based integrity & compliance management. Michael is strongly involved in the development and deployment of Novartis Social Businesses such as Novartis Access, Healthy Families etc. He is author and editor of articles and books in the areas of CR, social entrepreneurship, integrity management, risk and good governance and has a PhD with honors, awarded for his academic work with the Max Weber-Price for Business Ethics. Michael is a Social Entrepreneur in Residence at INSEAD and a recognized lecturer and speaker to students and executives at leading universities and business schools.

12:45 – 13:45

LUNCH



SESSION 969

INSTITUTIONAL PERSPECTIVES ON INTERNATIONAL GOVERNANCE

TRACK C	Date	Monday, Sep 24
	Time	14:00 – 15:15
Common Ground	Room	Studio A
Session Facilitator: Xavier Castaner, University of Lausanne		

An International Analysis of Corporate Governance Deviance

Michael A. Witt, INSEAD  
Stav Fainshmidt, Florida International University  
Ruth Aguilera, Northeastern University

Despite institutional pressures to follow certain corporate governance practices, many firms do not adhere to corporate governance norms within their institutional domains. This paper draws on the literature on deviance from social norms and the international corporate governance literature to explore the drivers of corporate governance deviance in different institutional contexts. Using a sample of listed banks in five countries, our configurational analysis identifies multiple configurations of institutional and organizational conditions leading to upward and downward deviations from norms of board independence and board gender diversity. Our findings contribute to our understanding of heterogeneity in corporate governance practices across firms and institutional settings, and they provide insights into the boundary conditions of the drivers of deviating firm behavior.

Pyramids and Innovations in SOEs: An Institutional Logics Perspective

Joyce Wang, University of Texas at Dallas  
Mike Peng, University of Texas at Dallas  
Jingtao Yi, Renmin University of China  
Xiuping Zhang, University of International Business and Economics

Will SOEs embrace innovations during economic transitions when institutional logics moving from state socialism to market capitalism? The rise of market logic espousing competition and innovations challenges SOEs' state logic that prioritizes central planning. These challenges, stemming from the institutional grip of the state, may be mitigated for SOEs in pyramids. A pyramidal structure features SOEs are organized into chains of affiliated firms, creating indirect ownership through intermediate firms, or pyramidal layers. Such layers possibly facilitate the shift towards market logic, expressed through SOE innovations. We also investigate two likely contingencies and one important causal mechanism to show that the relative saliency of state socialism vis-à-vis market capitalism determines the ease of SOEs' logics shift. Our empirical analysis of SOEs in China supports our propositions.

The Institutional Effect: A Cross-National Meta-Analysis of Founder and Professional CEO Performance Effects

Aten Zaandam, University of Arkansas  
Dinesh Hasija, University of Arkansas  
Alan Ellstrand, University of Arkansas  
Michael Cummings, University of Arkansas

Research conducted within the United States has consistently revealed that founder-led firms outperform those led by professional or agent CEOs (van Essen, Carney, and Heugens, 2015). However, an alarming number of studies conducted outside the U.S. have reached inconsistent and sometimes even contradictory results. By employing a meta-analytic technique, we seek to respond to recent calls made by scholars to examine the cross-national effects of strategic leadership in different institutional environments (SMS Houston Extension Conference, 2017). Specifically, we demonstrate that institutional factors across different nations can act as a hindrance to founder CEOs, leading to the superior performance of

professional CEOs. By examining how formal and informal institutional factors act as key determinants of CEO performance, we contribute to a more dynamic understanding of corporate governance.

A Longitudinal Multi-Country Study on Attainment of Gender Diversity Quotas for Corporate Boards

Mariano Heyden, Monash University  
Nikolaos Kavadis, University Carlos III of Madrid  
Jana Oehmichen, University of Groningen  
Heidi Wechtler, Macquarie University

We examine why firms vary in their responses to gender diversity quotas (GDQs) for corporate boards. Integrating insights from literature on corporate responses to institutional processes and external corporate governance, we hypothesize that responses to GDQs vary based on the anticipatory repercussions of non-compliance. We propose a theoretical framework in which we dissect GDQs into several core features (i.e., formality, time sensitivity, sanction specificity) to develop and test hypotheses on a multi-country sample of over 7,000 firm-year observations of five countries in Europe from 2002-2014. Our findings suggest that (a) the presence of GDQ and (b) the threat of quantitative sanctions increases likelihood of firms' achieving GDQ targets, but giving companies more time to comply does not. We discuss implications for theory and practice.

The International Diffusion of Sustainability Practices: The Role of the European Interlocking Directorate Network

Guus Denteneer, University of Groningen  
Rian Drogendijk, University of Groningen  
Kees van Veen, University of Groningen

This study examines the role of the international interlocking directorate network (IDN) in the adoption of sustainability practices issued by the Global Reporting Initiative (GRI). Using a unique dataset of the cross-border interlocking directorate network of 292 organisations (14 European countries, 2007-2013), we assess the adoption of GRI standards by companies. We study the role of national and cross-national interlocking directorates. Our event history analyses confirm that central organisations play an important role in the diffusion of GRI practices within countries. Additionally, a small group of directors shapes the international network and affects successful diffusion internationally. Finally, interlocking directorates are important in sparse networks, and lose their function once adoption rates go up. In fact, inter-organisational ties seem a liability once national adoption is high.

Exploring the Interactive Effects Between Corporate Governance Mechanisms and Organizational Culture Elements

Maria Fotaki, Athens University of Economics & Business  
Iriní Voudouris, Athens University of Economic and Business

The conditions and factors that foster effective corporate governance have been at the center of intense inquiry. Up to now, most scholars have viewed good governance through the lenses of agency theory, focusing exclusively on individual formal mechanisms with inconclusive results. More recently, researchers have begun to investigate how several formal mechanisms, comprising a bundle, interact to promote effective governance. However, little effort has been devoted to how formal mechanisms interact with informal institutional factors, which comprise the firm's social context. The latter, such as organizational culture elements, may facilitate or hinder the various agency relationships. In this paper, we draw on the behavioral theory of corporate governance to explore different configurations between formal governance mechanisms and organizational culture elements that drive sustainable firm outcomes.

## SESSION 993

**COMPETITORS AND COMPLEMENTORS**

<b>TRACK E</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	14:00 – 15:15
<b>Paper</b>	<b>Room</b>	Forum C

**Session Chair:** Cameron Miller, *Syracuse University*

**Complementary Products and Endogenous Market Segmentation**

Cameron Miller, *Syracuse University*

I examine how product complementarities influence product strategy in a new market. I theorize that firms with complementary products will endogenously segment the market, focusing on customers who the firm believes will benefit from combining the new market product with the firm's preexisting complementary products. I also argue that firms choose features that function with their complementary products and will tradeoff non-complementary features when necessary. My theory explains why firms with strong technological capabilities may enter a market with product behind the technological frontier and why such firms may forego potential supply side benefits. Examining entry into the nascent smartphone market using a rich dataset on smartphone product technology and features, I find support for my predictions.

**Strategic Technology Choices: How Power Imbalance Limits Adoption**

Kristina Dahlin, *University of Oxford*

Ranjita Singh, *Ryerson University*

Denisa Mindruta, *HEC Paris*

What criteria do adopters use when choosing between competing technologies? Traditional arguments use installed base for such decisions, especially in platform markets where complementary product producers are important. In a situation with two sponsored technologies and high technical uncertainty, installed base does matter but other factors such as the power balance between an adopter and a technology sponsor are also important, and adopters choose an alternative technology with lower installed base and higher uncertainty if that offers a better power balance. Many firms choose to exit the market or stay with an old technology when a new technology offers too high levels of uncertainty and an unfavourable relationship with the sponsor. We analyze phone companies' adoption decisions in the US 2G cellular industry.

**The Dark Side of Standards: Technological Standards and Uncertainty**

PuayKhoon Toh, *University of Texas at Austin*

Eugene Pyun, *University of Texas at Austin*

In this paper, we examined the effect of technological standards on firms' uncertainty levels. We provide two competing propositions about both positive and negative influences of standards on firms' uncertainty. Following the propositions, we then suggest contingencies when standards increase uncertainty of firms. The paper will empirically test the hypotheses using a sample of firms from the Information and Communication Technology (ICT) industry. Building on extant literature's examination of standards with the perspective of technological uncertainty, the current paper analyzes standards with emphasis on uncertainty from competition within technological spaces. Contrary to a prevailing position that standards reduce firms' uncertainty, this research proposes that standards can actually increase some firms' uncertainty by transforming competitive environments for the firms.

**Strategic Change and Competitive Dynamics: A Conceptual Framework to Understand Rivals' Responses to Strategic Change**

Jooyoung Kim, *Michigan State University*

He Gao, *Michigan State University*

Gerry McNamara, *Michigan State University*

Research on strategic change has, to date, primarily focused on internal factors that influence the likelihood of undertaking and succeeding in change efforts. We aim to add to our understanding of strategic change by turning the focus to other firms in the market by theorizing whether and how competitors are likely to respond to a focal firm's strategic change. Building out of research on competitive dynamics and social comparison, we argue that the direction of strategic change relative to a competing firm, the degree to which the change influences the degree of deviation of the focal firm from industry norms, and status of the focal firm interact to affect whether and how a competing firm reacts to the focal firm's strategic change.

## SESSION 1073

**RESOURCE REALLOCATION AND REDEPLOYMENT (II)**

<b>TRACK F</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	14:00 – 15:15
<b>Paper</b>	<b>Room</b>	Forum A

**Session Chair:** Samina Karim, *Northeastern University*

**Dynamic Resource Reallocation and Firm Performance**

Sea-Jin Chang, *National University of Singapore*

Yoichi Matsumoto, *Kobe University*

Dynamic resource reallocation is critical to the performance of diversified firms. Although the resource reallocation process has received a lot of attention from scholars, its effect on firm performance needs further empirical investigation. By examining the detailed product portfolios of firms in the global semiconductor industry between 2001 and 2017, we explore how the reallocation of resources through new entry, business deepening, and retrenchment can contribute to firm performance. We find that overall entry activities and smooth resource reallocation between retrenched and newly entered businesses improve firm performance. Furthermore, this performance enhancing effect of resource reconfiguration is more pronounced for fabless firms than integrated device manufacturers, suggesting that, for the latter, sunk cost in manufacturing facilities is a constraining factor for effective resource reallocation.

**Redeployment in Diversified Firms: A Financial Market Estimation of Performance and Volatility**

Teresa Antonia Dickler, *IE Business School*

Timothy Folta, *University of Connecticut*

Marco Giarratana, *IE Business School*

Juan Santalo, *IE Business School*

This paper compares the relationship between firm stock market returns and volatility between multi-business firms and single business firms. A firm's market value should be a positive function of the volatility of its business environment if companies can better adjust their operations to attenuate the impact of bad news and amplify the effects of good news. Compared to single-business firms, multi-business firms have added flexibility to redeploy resources across its business units to benefit from positive shocks in one industry and to shield them from negative shocks in another. We test this resource-based view applied to diversification and show that volatility could be interpreted as a proxy for reallocation capabilities of diversifiers and thus, as mechanisms conducive to performance.



## Allocation and Redeployment: Examining Temporal and Location Properties of Physical Resources Used in Tasks

Samina Karim, *Northeastern University*

Chi-Hyon Lee, *George Mason University*

Manuela Hoehn-Weiss, *Oregon State University*

Drawing on organization design and dynamic capabilities literature, this paper investigates how time and place constraints on physical resources influence their initial allocation and subsequent redeployment to tasks. In addition, we examine how tasks' resource requirements—and the tension between flexibility and familiarity of using certain resources, affect resource allocation decisions and outcomes. In the context of the U.S. passenger airline industry over two decades, we find that resource versatility, a composite measure of fungibility and availability, has a positive impact, resource geographic dispersion has an inverted U-shape relationship, and task-resource specificity has a positive influence, respectively, on firm performance. Together, our findings have important implications for how the design of systems, and specifically allocation of resources to tasks, influence firm performance.

## Resource Redeployment in Multi-Business Firms: An Empirical Examination

Jasmina Chauvin, *Georgetown University*

Christopher Poliquin, *Harvard University*

This paper provides one of the first systematic descriptions and direct empirical tests of the theory of resource redeployment in multi-business firms. We leverage a rich, employer-employee matched dataset to examine the extent of redeployment of a key resource—workers. We find that worker redeployment is widespread: the average newly founded establishment sources 32 percent of initial employees and 47 percent of directors and managers from within the firm. Consistent with theories of inter-temporal economies of scope, we show that when firms diversify, they tend to redeploy workers from establishments that are more related, geographically closer, and in the process of shutting down. The results support key tenets of the theory and invite further inquiry into how redeployment affects firms' evolution and resilience to shocks.

### SESSION 1123

## HUMAN CAPITAL, TOP MANAGEMENT TEAMS, AND INTERNATIONALIZATION

<b>TRACK G</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	14:00 – 15:15
<b>Paper</b>	<b>Room</b>	Studio F

**Session Chair:** Dana Minbaeva, *Copenhagen Business School*

## Is Executive Expatriation A Liability Or An Asset For Overseas Subsidiaries: The Perspective Of Foreignness

Chao Zhou, *Zhejiang University*

Jian Du, *Zhejiang University*

This paper intends to offer a transaction cost explanation for the contradictory conclusions in the relationship between expatriate executives and subsidiary performance in existing literature. We introduce the concept of foreignness, which is widely considered ambidextrous and can be shaped by executives, to explore the contextual factors influencing the positive and dark sides of expatriates. Drawing upon the survey data on Chinese manufacturing firms, we try to confirm the conditions under which expatriate executives will enhance or hinder subsidiary performance at country, industry and firm level.

## Overseas Expansion and Executive Promotion of State-Owned Enterprises

Ziliang Deng, *Renmin University of China*

Jiayan Yan, *Renmin University of China*

The study explores whether and how overseas expansion affects political promotion of executives in state-owned enterprises (SOEs) from an institutional perspective. We hypothesize that overseas investments create loyalty-based ties between the authority and agents, thus provide more opportunities of political promotion. Moreover, we argue that bilateral relationship and promotion competition enhance the baseline effect, while education background mitigates that effect. By utilizing the information on overseas investment and political promotion of Chinese SOEs during 2007–2015, the empirical results confirm all hypotheses.

## Risk-taking in Foreign Operations: The Role of Governance Characteristics

Davide Castellani, *University of Reading*

Gabriel R G Benito, *BI Norwegian Business School*

Gabor Bekes, *Central European University*

Balazs Murakozy, *Hungarian Academy of Sciences*

In this paper, we (i) theoretically develop a notion of risk-taking behavior in international operations and empirically measure it, and (ii) develop a theoretical framework for understanding risk-taking behavior in international operations. We base our analysis on insights from three key bodies of theories of firm governance: information processing theory, agency theory, and upper echelon theory. We provide a preliminary empirical investigation using data from a large European survey, and find some support for our framework.

## Corporate Governance and Human Resource Management: Can Chief Human Resources Officers Make a Difference?

Marcus Fiedler, *Quorion*

Till Talaulicar, *University of Erfurt*

Changes related to globalization and de-globalization induce firms to seek for novel solutions in complex and uncertain environments. Adapting to these environments very much rests on the capability of the firm to innovate. These innovations basically emanate from human resources. Despite the importance of human resources and their management, only limited research has addressed the role of corporate governance to deal with these challenges. We address this gap and analyze the research question whether a Chief Human Resources Officer can make a difference and enhance firm innovativeness. Elaborating on the theories of human capital resources and dynamic managerial capabilities and a unique sample of hand-collected data, we show that characteristics of this top executive tend to be systematically related to the level of firm innovation.



## SESSION 1125

**POLITICAL RISKS, INSTITUTIONAL QUALITY, AND GLOBAL STRATEGY**

<b>TRACK G</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	14:00 – 15:15
<b>Common Ground</b>	<b>Room</b>	Studio B

**Session Facilitator:** Luis Dau, *Northeastern University*

**Foreign Investment and Relative Perceptions of Political Institutional Quality**

Daniel Blake, *IE Business School*

Quintin Beazer, *Florida State University*

What shapes managers' sensitivity to political institutional quality? We build on research highlighting the impact of home country experience on multinational firms' tolerance for imperfect political and governance institutions to argue that managers from countries with higher levels of political institutional risk will display lower levels of sensitivity to institutional conditions when assessing the attractiveness of investment destinations. Not only are managers from "risky" countries less deterred by challenging institutions, but they are also comparatively less attracted by strong political institutions than investors from countries with better quality institutions. We investigate this argument using a survey experiment and find that respondents from developing countries are significantly less sensitive to information about host courts' effectiveness than their counterparts from developed economies.

**Integrative Effects of Country Institutions on Geographic-Diversification Performance Strategies**

Asda Chintakananda, *National Institute of Development Administration*

Brian R. Tan, *B.R.I.T. Management Consulting*

This paper examines how the integrative effects of country institutions at home influences firms' geographic-diversification performance. Specifically, we use transaction-cost economics and resource-based view to examine how cultural institutions alter the effects of political institutions and legal institutions on MNEs' geographic-diversification performance relationship. We hypothesize while MNEs benefit from political stability at home, this relationship is weakened by high collectivism and uncertainty avoidance at home. Similarly, while MNE benefits from regulatory effectiveness at home, this relationship is weakened by high collectivism, but strengthened by high uncertainty avoidance at home.

**Signaling Calm after Conflict: Multinational Investment in Post-Conflict Environments**

Nicholas Poggioli, *University of Minnesota*

Joao Albino-Pimentel, *University of South Carolina*

Jennifer Oetzel, *American University*

Chang Hoon Oh, *Simon Fraser University*

Foreign direct investment by multinational firms is associated with decreased likelihood of countries falling back into conflict, but it remains unknown how post-conflict conditions influence multinationals' investment decisions. We investigate how two post-conflict conditions—peace agreements and deployment of peacekeeping troops—affect firms' foreign investments. We theorize that peace agreements and peacekeeping troops reduce uncertainty about investing in a post-conflict country by signaling a calm, stable investment environment. Initial results suggest peace agreements and peacekeeping troops increase the likelihood of foreign firms making investments into the country. To extend these results, we are exploring how firm-level characteristics moderate the main relationships between post-conflict stability signals and foreign direct investment.

**The Effect of Institutional Distances and Government Assistance on Ownership Levels in Sub-Saharan African Countries**

Gilbert Kofi Adarkwah, *BI Norwegian Business School*

Birgitte Groggaard, *BI Norwegian Business School*

Sverre Tomassen, *BI Norwegian Business School*

We follow the prevalence of MNEs into Africa to examine the impact of institutional distance and governmental assistance on ownership levels across multiple home and host countries. Although recent studies have increasingly heightened the influence of institutional contextual factors on the ownership levels, we know very little about such decisions from the African context. This paper fills this gap by looking at ownership decisions within the uniqueness of the African context. We contribute to the international business literature by testing the theoretical boundaries of ownership decisions when MNEs expand into high risk areas. With 54 countries in our sample, this study throws light on the role of different institutional complexities on ownership decisions.

**Developing Adaptive Political Capabilities: Learning to Evade Engagement with Host Governments from EMNEs**

Maria Andrea De Villa, *EAFIT University*

Tazeeb Rajwani, *University of Essex*

Corporate political activity (CPA) and dynamic capabilities research focus on the capabilities developed by advanced country MNEs to engage with host governments. Alternatively, we analyze what are the capabilities that emergent market multinationals (EMNEs) use to evade engagement with host governments, and examine how these capabilities are developed. Building on the dynamic capabilities and organizational learning perspectives, first, we conceptualize the capabilities to evade engagement with host governments while actively adapting to their public policy, as adaptive political capabilities. Second, we propose a framework that explains how these capabilities can be developed. Last, we argue that learning from EMNEs how to evade engagement with host governments by developing adaptive political capabilities can become a source of advantage for advanced country MNEs.

**Strategic Responses to Sanctions: A Study of European Firms' Corporate Activity in Russia**

Peter D. Ørberg Jensen, *Copenhagen Business School*

Johannes David Bettecken, *Copenhagen Business School*

While the overwhelming part of scholarly literature on sanctions focused on the macro-political assessment of sanctions effectiveness, this study construes of sanctions as an institutional pressure and makes the strategic response of European firms with Russian subsidiaries its focal point. Considering the sanctions episode following the Russia-Ukraine conflict a quasi-experimental setting we apply Propensity-Score Matching (PSM) and logit regression. We analyse whether firms' decisions comply with or challenge the intentions of the sanctions. We find that firms tend to go against the spirit of the sanctions and increase their Russian market presence, and we conclude that governments should not count on firms as economic agents to support their sanctions regime.





## SESSION 1051

## RESOURCES &amp; CAPABILITIES

<b>TRACK H/J</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	14:00 – 15:15
<b>Paper</b>	<b>Room</b>	Forum G+H

**Session Chair:** Brice Dattee, *EMLYON Business School*

### Regaining Autonomy in Post-Acquisition: Resource Orchestration and Identity Resurgence at Automobili Lamborghini

Brice Dattee, *EMLYON Business School*  
 Paolo Barbieri, *University of Bologna*  
 Jean-Luc Arregle, *EMLYON Business School*  
 Thomas Lawton, *University of Surrey*  
 Duncan Angwin, *Lancaster University*

Prior research on acquisition implementation has emphasized the challenge of balancing integration and autonomy. However, recent work has also emphasized the need to better distinguish integration and autonomy as two distinct dimensions of post-acquisition implementation. Moreover, there have been repeated calls to better understand what is really going on during the post-acquisition implementation process, contingent on the type of post-acquisition mode. Based on a qualitative case study of the integration of Automobili Lamborghini in the Audi VW group over an 18-year period (1999-2017), we develop a process model which theorizes the recursive dynamics between integration efforts, resource orchestration, organizational identity, and the regaining of autonomy of an acquired distressed company. By regaining autonomy, an acquired firm can renew its resources and capabilities and escape amalgamation.

### Market-Shaping Capabilities in Action: Creating Sustainable Customer Demand

Michael Hartmann, *German Graduate School of Management and Law*  
 Matthias Wenzel, *European University Viadrina Frankfurt*

Research addressing how firms master long-term success in dynamic environments has highlighted the important role of dynamic capabilities as an enabler for responding to market changes. However, less attention has been devoted to how firms may shape such environmental dynamics by creating customer demand. Therefore, in this paper, we ask how firms realize the creation of customer demand. For our study, we take a qualitative research approach and observe practices in the field of industrial sales. The practices that we explore show how a market-shaping capability comes into being in and through interactions between frontline employees and customers, rather than just attributing this capability based on the firm's repeated success in shaping markets.

### Markets-Shaping Strategies: The Density, Linkages, and Orchestration Of Resources

Suvi Nenonen, *University of Auckland*  
 Kaj Storbacka, *University of Auckland*

Strategies aimed at shaping markets require new sets of capabilities. To not only capture opportunities as they emerge, but proactively create them, market-shapers need to consider a larger system of market actors, understand how to create new resource linkages, and develop abilities to mobilize resources. Using a grounded theory approach, involving 82 managers from 21 firms that have engaged in market-shaping strategies, we identify four higher-level capabilities: sensing, experimenting, signaling and engaging. Whereas existing conceptualizations and empirical investigations focus on how dynamic capabilities transform a firm, we change the unit of analysis and expand analysis to cover the transformation of markets. Our analysis shows that outcomes of market-shaping need to be viewed both from the perspectives of multiple market actors and the overall market system.

### Temporary Business Models and Capability Building

Johan Wallin, *Synocus Group*  
 Ghita Wallin, *Aalto University*

This paper is based on clinical research of two evolving ecosystems. Slush, the student-driven organizer of the largest start-up event in Northern Europe, supported the formation of a Nordic ecosystem to strengthen the ties between the Helsinki-based main event and the other Nordic start-up communities. The World Alliance for Low Carbon Cities (WALCC) responded to a call for proposals from the Finnish innovation agency Tekes to establish an ecosystem to support innovations in the Finnish transport sector. Both Slush and WALCC went through different stages in the establishing of the more stable network, which ultimately became a platform for capability building. Temporary business models and capability maps were identified as tools used when orchestrating an evolving ecosystem.

## SESSION 1024

## TECHNOLOGICAL CHANGE AND INNOVATION

<b>TRACK I</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	14:00 – 15:15
<b>Common Ground</b>	<b>Room</b>	Studio E

**Session Facilitator:** Michaël Bikard, *London Business School*

### Back in Black: Technological Evolution and Re-Emergence

Kevin Miceli, *Michigan State University*  
 Stefan Wuorinen, *Michigan State University*  
 Tian Chen, *University of North Carolina at Chapel Hill*

This proposal explores the re-emergence of technologies even after the cycle of decline has begun. Technological evolution and product life-cycle models detail the processes of introduction, competition, growth, and decline as new technologies are introduced and displace older models. We present the argument that design-based inventions particularly can exhibit some level re-emergence as consumers' acceptance of design styles may cycle to desire products, features, and form factors found in older technologies. Consumer design preferences can drive the nostalgic return of products in an absolute sense (both form and function) or in a relative sense (form). We propose testing design patents representing the way an invention looks through industrial design as compared to utility patents covering an invention's function.

### Unpacking the Disruption Process: Technology, Business Models, and Firm Adaptation

Alessio Cozzolino, *University College Dublin*  
 Frank T. Rothaermel, *Georgia Institute of Technology*  
 Gianmario Verona, *Bocconi University*

Despite the importance of disruptions and digital transformations, the literature lacks a complete picture of how incumbents adapt their business model after disruptive innovations. Our research sheds light on this important process by analyzing how a major news media publisher reacted to Internet disruption (period: 1995-2017), separating the effects of disruptive technologies and disruptive business models. We examine: the different components of the disruption process; the drivers and hindering factors of incumbents' business model adaptation (BMA); and how a closed business model is renewed to develop an open platform-based model to seize external opportunities, lower costs, and fend off disruptors. The study offers important contributions to the literatures on disruption, business models, and platforms, but also to managerial practice.

## Legitimacy and the Influence of Technology on Scientific Activity

Shirish Sundaresan, *University of North Carolina at Chapel Hill*  
 Deepak Jena, *University of North Carolina at Chapel Hill*  
 Atul Nerkar, *University of North Carolina at Chapel Hill*

We propose a study how legitimacy influences the relationship between technology and science. Prior research on science and technology has studied this relationship by examining incentive structures, spillovers, and collaborations (Dasgupta & David 1994, Fleming & Sorenson 2004, Evans 2010). But while research has examined how science influences technology, the effects of technology on science have remained unexplored. We aim to address this gap by studying how technology legitimacy conferred by FDA approvals influences the rate and direction of scientific R&D. Our initial analysis finds that an increase in technological legitimacy leads to a substantial and significant increase in scientific R&D activity. This suggests that technological success can serve as a driver of scientific innovation.

## A Firm's Knowledge Structure and its Distinctive Impact on the Types of Product Innovation

Sung Namkung, *Indiana University of Pennsylvania*  
 Simon Mueller, *Technical University of Munich*

A firm's innovativeness is driven by the structure of its knowledge base. Elaborating on this argument, this study examines the distinctive effect of the level of knowledge decomposability in a firm's knowledge base on two types of new product innovation – modular and architectural. We test our hypothesis with data on global Lithium-Ion Battery (LIB) cell manufacturing firms between 1991 and 2013. Our analyses suggest that increasing knowledge decomposability is positively associated with modular product innovation, whereas increasing knowledge decomposability has an inverted U-shaped relationship with architectural product innovation. By distinguishing between two types of newly developed products, this study extends the burgeoning literature on how the structural patterns of a firm's knowledge base can affect its product innovation.

## An Ecosystem-Level Process Model Of Business Model Disruption: The Disruptor's Gambit

Yuliya Snihur, *Toulouse Business School*  
 Llewellyn Thomas, *LaSalle Universitat Ramon Llull*  
 Robert Burgelman, *Stanford University*

Based on a longitudinal case, this paper presents an ecosystem-level process model of the interlocking key activities of the business model disruptor, other ecosystem participants (customers, partners, media, analysts), and the incumbent. Together these constitute a strategic process of ecosystem evolution from incumbent-centered to disruptor-centered. We identify the phenomenon of a "disruptor's gambit," where the disruptor reveals its intentions through effective framing, followed by rapid adaptation of its business model to satisfy ecosystem needs. These processes generate a virtuous framing-adaptation cycle, where feed-forward and feedback enable rapid response to customers and partners, while engaging them as force multipliers. Our findings suggest that framing constitutes a dynamic strategic process enabling disruptors to reduce uncertainty, dislodge powerful incumbents, and shape new ecosystems through business model innovation.

## Hard to Get? Knowledge Heritage From Invention to Product Market Innovation Using Information Retrieval Techniques

Sheryl Winston Smith, *BI Norwegian Business School*

The link between knowledge and innovation is crucial for strategy scholars. Patents and patent citations are a window into the innovation process. Yet even established firms have difficulty commercializing inventions. A conundrum for strategy scholars is: does the inventive activity captured in patents and patent citations translate into innovation in the product market? In other words, how reliably can we understand the link between patents and introduction of novel products to market? This paper brings to the strategy literature an important methodological innovation from computer science: application of the vector space model in information retrieval to the study of innovation. This paper details a novel methodology to algorithmically compare the similarity of patent texts to the description of product innovations in the medical device industry.

### SESSION 1090

#### FAMILY FIRMS

<b>TRACK K</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	14:00 – 15:15
<b>Common Ground</b>	<b>Room</b>	Studio G+H

**Session Facilitator:** Xiaowei Luo, *INSEAD*

## Alliances in Family Firms: Real Options Avenue to Diversification or Threat to Socioemotional Wealth

Christopher Penney, *University of North Texas*  
 Peter Jaskiewicz, *University of Ottawa*  
 James Combs, *University of Central Florida*  
 Stephen Lanivich, *Old Dominion University*  
 Xiaoli Yin, *Baruch College-CUNY*

Family firms make conservative strategic decisions to protect their socioemotional wealth (SEW). Alliances, however, are one-way family firms might accomplish the same outcomes with less risk to their SEW. Using a panel of S&P firms, we find that family firms are more aggressive in their use of alliances but use more low-risk exploitation and fewer high-risk exploitation alliances. Family firms are also more likely to use their alliances as a springboard into diversification. Indeed, replication and extension of prior research show that while family firms are conservative with respect to unrelated diversification, they engage in more related diversification. Family firms also better leverage their alliances to enhance performance. Overall, alliances appear to be a low-risk-to-SEW way to pursue strategies usually associated with nonfamily firms.

## Women on Boards in Family Firms

Raveendra Chittoor, *University of Victoria*  
 Nupur Pavan Bang, *Indian School of Business*  
 Kavil Ramachandran, *Indian School of Business*  
 Anierudh Vishwanathan, *Indian School of Business*

In this paper, we examine the heterogeneity in the adoption of new corporate governance norms between family firms and non-family firms in the specific context of induction of women directors onto corporate boards. We do so by exploiting a regulation introduced in 2013 in India that required companies to induct at least one woman director on the board within a year. Using panel data from 1507 publicly listed firms, we find that there is no significant difference in the proportion of women directors between family firms and non-family firms. We further distinguish family firms into stand-alone firms and firms belonging to family-owned business groups and find that women director proportion and the proportion of executive women directors is higher in stand-alone family firms.



Organizational Resilience as Discourse: Disruptions and Grief in Family Firms’ Narratives

Carl Joachim Kock, *IE Business School*  
Sébastien Fosse, *Loughborough University*  
Marianna Makri, *University of Miami*

As environment becomes more turbulent, researchers increasingly examine organizational resilience—firm’s response to major disruptions. In this paper, we examine emotional regulation, a key antecedent of organizational resilience. We focus on firms that are simultaneously credited with superior socio-emotional endowment and with emotional sensitivity; this tension makes their response to those events, theoretically, unclear. Using computed-aided text analysis, we examine narratives of firms that face an exceptionally adverse three-year context—the 2007-2009 global crisis—and how family firms, along with the grief process, use discourses to avoid expressing negative emotions or turn them into more positive ones. We discuss implications for theory on organizational resilience and family firms.

Family Business Group as a Complex Adaptive System

Marita Rautiainen, *Lappeenranta University of Technology*  
Timo Pihkala, *Lappeenranta University of Technology*  
Kajari Mukherjee, *Indian Institute of Management Indore*

This study explore how entrepreneurial families manage the complexity within its growing business group over time. We draw insights from complex adaptive systems theory to gain knowledge about complex interactions and dynamic nature of entrepreneurial family business groups. We develop a theoretical understanding of complex longevity in entrepreneurial family firms through a detailed analysis of a multigenerational family business group. Through our analysis, we derive three basic alternatives for managing complexity: controlling the complexity of the family, controlling the complexity of the business group, and controlling the complexity of the ownership between the family and the businesses. We highlight the role of ownership dynamics as a decisive factor in the development process of the business group.

Resilience of Family Firms

Anand Nandkumar, *Indian School of Business*  
Jaya Dixit, *Indian School of Business*  
Nupur Pavan Bang, *Indian School of Business*

Previous literature investigating the impact of family-business on performance has provided mixed results. In this paper, we seek to contribute to this literature by utilizing an exogenous shock of economic crisis in conjunction with the contingency of ex-ante efficiency of firms. We construct performance trajectories that help us distinguish two groups of firms, namely leaders and laggards, based on ex-ante performance. Our results indicate that family-firms tend to have advantages over non-family firms for laggards. This is most likely due to their ability to access resources in the crisis period that other firms cannot. On the other hand, among leaders, family-firms lose their advantages and perform worse than non-family firms. Our results, overall support the resource-based explanations of family-performance relationship.

Diversification Decisions in Family Firms— The Influence of Family Managers’ Identity

Magali Canovi, *ESCP Europe Business School*  
Francesco Rattalino, *ESCP Europe Business School*  
Luciano Ciravegna, *INCAE Business School*

In keeping with the current research stream on family firm heterogeneity, this paper examines how and why family firms respond differently to diversification and the role that identity formation plays in this process. Using the theory of identity-work, we examine how family managers’ self-identities influence family firms’ diversification decisions. Empirical evidence is provided by a sample of 28 Italian family wine businesses that have engaged in tourism diversification. We find that family managers engage in three types of identity-work (aspirational, differentiating and narrative identity-work) to construct their desired self-identities. Our

analysis also shows how diversification either strengthens or threatens family managers’ desired sense of self, thus leading to different levels of diversification across family firms.

SESSION 1094  
HUMAN CAPITAL AND ENTREPRENEURSHIP

TRACK K	Date	Monday, Sep 24
	Time	14:00 – 15:15
	Room	Forum I+J

Session Chair: Jenna Rodrigues, *University of Connecticut*

Who Joins a Startup? Preferences, Ability, and Structural Constraints as Predictors of Startup Employment

Michael Roach, *Cornell University*  
Henry Sauermann, *ESMT Berlin*

We examine the role of career preferences, ability, and structural constraints in explaining first-time employment in start-ups or established firms. Using panel data on 2,243 U.S. science and engineering PhDs observed before and after entering the job market, we find that ex ante career preferences significantly explain who joins a startup, while ability plays a limited role. Many individuals who prefer to join startups prior to graduation take jobs in established firms, in part due to the limited availability of startup jobs and visa constraints. Interestingly, these individuals are more likely to leave their first position in established firms jobs to join a startup later in time. We discuss implications for founders, managers in established firms, as well as for future research and policy makers.

Loss Aversion and Entrepreneurial Entry

Gorkem Aksaray, *Emory University*  
Badrinath Kottimukkalur, *George Washington University*  
Anand Swaminathan, *Emory University*

We document a negative relationship between change in wealth and the transition to self-employment driven by individuals who recently experienced losses in their wealth. We then decompose the change in wealth into expected and unexpected components. Only the latter affects the likelihood of self-employment. This relationship is distinct from the positive association between level of wealth and entrepreneurial entry documented in the prior literature. Our findings are consistent with potential entrepreneurs being loss averse.

A Contingent View of Social Capital as a Dynamic Managerial Capability in New Entrepreneurial Ventures

Michael Engels, *Technical University of Dortmund*  
Andreas Engelen, *Technical University of Dortmund*  
Oliver Schilke, *University of Arizona*

In an effort to advance our conceptual and empirical insights into dynamic managerial capabilities, we investigate the social capital of the firm’s top management team (TMT), one of the types of dynamic managerial capability that the extant literature mentions most frequently. We built a map of the relationships among the 26,693 individuals who operate the 5,568 US start-ups, capturing a picture of the new venture scene in the US that is as complete as possible. Our findings indicate that the TMT members’ social capital indeed drives strategic change in these new ventures and that impetus from external network connections become most valuable in times of pressure to change.

## Portfolio Entrepreneurship and Human Capital Redeployment

Jenna Rodrigues, *University of Connecticut*  
 Timothy Folta, *University of Connecticut*  
 Dhvani Badwaik, *University of Connecticut*  
 Sandra Corredor, *University of Connecticut*  
 Frederic Delmar, *Lund University*

Prior literature suggests that one advantage of portfolio entrepreneurship over serial and novice entrepreneurship is the option to redeploy resources across companies within an entrepreneur's portfolio. However, we still do not have a strong understanding of the dynamic portfolio characteristics that make portfolio entrepreneurs increasingly likely to activate the option to redeploy. Through studying a sample of portfolio entrepreneurs working in Sweden, we assess how the characteristics of an entrepreneur's portfolio of companies influences their propensity to redeploy human capital resources across companies within their portfolio. We contribute to literature on portfolio entrepreneurship and resource redeployment through depicting the portfolio characteristics that may increase an entrepreneur's propensity to redeploy human capital resources and directly measuring instances of redeployment in the context of human capital resources.

### SESSION 978

## RARE? FIRM-SPECIFIC? STRATEGICALLY RELEVANT? IMPLICATIONS OF DIFFERENT TYPES OF HUMAN CAPITAL

<b>TRACK L</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	14:00 – 15:15
<b>Paper</b>	<b>Room</b>	Studio D

**Session Chair:** Heli Wang, *Singapore Management University*

## Integrating the Acqui-hires: The Effect of Know-how Type on Integration Choices of Acquirers

Beril Boyacioglu, *Koc University*  
 Mahmut N. Ozdemir, *Koc University*

Acqui-hiring is a relatively novel acquisition practice of technology firms, which is motivated by gaining access to the talented human capital of start-ups. This human capital focus renders post-acquisition integration highly critical in acqui-hires. Building on extant literature on post-acquisition integration and the knowledge-based view of the firm (KBV), we argue that acqui-hire integration choices differ depending on the characteristics of the acquired employees' know-how. Specifically, we hypothesize that when the acqui-hired talent possesses disruptive know-how, it is likely that the acquired team will be directly integrated to the business unit that it may potentially disrupt and the acquired founder will be assigned to a managerial position. We find support for our hypotheses on a sample of 272 acqui-hires of 29 acquirers in technology industries.

## Rare Knowledge Combinations in Professional Services: Competitive Advantage or Not Worth the Hassle?

Andrew von Nordenflycht, *Simon Fraser University*  
 Forrest Briscoe, *Penn State University*  
 Heidi Gardner, *Harvard Law School*

We theorize that the rarity of the combination of knowledge domains involved on a project can generate multiple benefits for a professional service firm—the potential for more innovative solutions, and marketplace uniqueness—yet pose execution risks because of communication challenges. We test hypotheses derived from this theory using internal records from two large law firms. Using difference-in-differences analysis with client accounts that are “treated” with a rare combination matched against a control sample, we find that accounts served by rarer combinations show higher future growth in billed hours. We also find that the benefits increase with the firm's experience with

rare combinations. These findings suggest it may be worthwhile to seek out opportunities for rare combinations.

## Origins of Strategically Relevant Firm-Specific Human Capital: Why the Investment Dilemma Never Materializes

Thorsten Grohsjean, *Bocconi University*  
 David Kryscynski, *Brigham Young University*

To clarify what types of firm-specific human capital are more relevant for the firm's survival and what types are more relevant for competitive advantages we develop a typology of firm-specific human capital. While the most strategically relevant firm-specific human capital is difficult to provide through ex-ante training and requires some deep investment by the employee that are hard to observe, we further argue that it often arises as a byproduct from solution search to address the firm's important business problems. We further develop the idea that individuals tasked with solving these problems are likely pre-disposed to making these kinds of investments and have sufficient embedded incentives to gain this human capital.

## Target Knowledge Structure and Post-Acquisition Target CEO Retention

Zhefei Li, *Singapore Management University*  
 Heli Wang, *Singapore Management University*

We argue that the level of firm-specific knowledge in an acquisition target may affect the likelihood of its CEO's retention after an acquisition. In particular, due to the important role of target managers in preserving the value of and in integrating firm-specific knowledge, we expect a positive relationship between a target's pre-acquisition firm-specific knowledge level and the likelihood that its CEO is retained in the post-acquisition integration process. Furthermore, this positive association is strengthened with the increase of target's pre-acquisition financial performance and target CEO's tenure. Using a sample of US target firms acquired between 1996 and 2006, we find support for our hypotheses.

### SESSION 1048

## MANAGING STAKEHOLDER RELATIONSHIPS

<b>TRACK M</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	14:00 – 15:15
<b>Paper</b>	<b>Room</b>	Scene G+H

**Session Chair:** Robert Phillips, *York University*

## Business, Insular Stakeholder Relations, and Conflict

Witold Henisz, *University of Pennsylvania*

When the distribution of rents by a firm is perceived as unfair or illegitimate by its stakeholders, conflict obtains. Gurr (1970) argued that “the basic, instigating condition” for conflict is “discontent arising from the perception of relative deprivation.” Studies of the economic drivers of conflict have, however, necessarily focused on structural or objective measures of deprivation such as the presence of resource rents or the societal level of income inequality. I leverage a new dataset to show that where business networks place greater relative emphasis on the core of a network than the periphery or an in-group faction(s) than out-groups, stakeholders perceive this variation from the overall structure of political and social relationships as illegitimate triggering a sense of deprivation which fosters conflict.





Stakeholder Distrust: Implications of Distrust Research for Stakeholder Theory

Sybille Sachs, *Zurich University of Applied Sciences*  
Antoinette Weibel, *University of St. Gallen*  
Nadine Meidert, *Zeppelin University*  
Phillip Cinkul, *University of St. Gallen*  
Daniel Laude, *Zurich University of Applied Sciences in Business Administration*

Stakeholder theory has addressed the role of trust in organization-stakeholder relationships in depth. Although similarly relevant, distrust as a distinct construct from (low) trust has received minor consideration by stakeholder theorists. Thus, this article focuses on stakeholder distrust and reflects on the findings of distrust research in organizational studies and the implications for stakeholder theory. For this purpose, we conduct a systematic literature review of organizational distrust research to develop tentative propositions about the antecedents and consequences of stakeholder distrust. Value incongruence, outgroup bias and malevolence portray three essential antecedents of distrust between stakeholders and organizations, whereas reduced value creation constitutes one major consequence of stakeholder distrust. With this contribution, we encourage other stakeholder theorists to expand the research on distrust in organization-stakeholder relationships.

Stakeholder Friction

Kirsten Martin, *George Washington University*  
Robert Phillips, *York University*

The tendency to develop stakeholder relationships and to repeat interactions with the same set of stakeholders leads to what we call stakeholder friction. For many scholars, such friction borders on universally beneficial. However, as in physical systems, friction can have mixed effects on function. We examine the role of friction – both beneficial and harmful – in stakeholder networks. While the benefits of reinvesting in stakeholder relationships are numerous, the associated costs and risks have been underspecified. We examine the impact of high friction environments as exacerbating the benefits of reinvestment in robust stakeholder relationships as well as the costs of such reinvestments. We then discuss the implications to theory and practice of managing stakeholder relationships and to manage the friction of the stakeholder environment.

Developing the Strategist’s Sustainability Mindset: An Experimental Approach

Maurizio Zollo, *Bocconi University*  
Alessandra Dodich, *San Raffaele Hospital*  
Vincenzo Vastola, *Bocconi University*  
Nicola Canessa, *IUSS Pavia*  
Chiara Crespi, *IUSS Pavia*  
Daniella Laureiro-Martínez, *ETH Zurich*  
Stefano Cappa, *IUSS Pavia*  
Stefano Brusoni, *ETH Zurich*

Addressing strategic challenges requires the development of the strategist’s capacity to anticipate and embed the long-term and joint consequences of decisions and actions for the organization’s stakeholders. To study the relative effectiveness of learning processes related to strategic issues, we leverage the sustainability strategy context to test the impact of cognitive training (for longer time horizon) and meditative practices (for joint value consideration) on the development of sustainability-related mindsets, decisions and performance. In a randomized controlled trial with 82 participants, we found significant efficacy of yoga meditation practice on sustainable decisions, and the development of related neural structures (rIFG), psychological traits (self-transcendence, cooperativeness), and ethical beliefs. Cognitive training shows no such effects, with unexpected negative influence on ethical traits.

SESSION 903

RISK DYNAMICS IN DIGITAL ECOSYSTEMS: IN SEARCH OF NEW PRINCIPLES FOR GOVERNANCE AND MANAGEMENT

TRACK N	Date	Monday, Sep 24
	Time	14:00 – 15:15
Parallel Panel	Room	Scene DEF

Session Chair

Gianvito Lanzolla, *City, University of London*

Panelists

Carmelo Cennamo, *Bocconi University*  
Igor Filatotchev, *King’s College London*  
Paolo Gonella, *STM Microelectronics*  
Robert Seamans, *New York University*

The diffusion of digital technologies – e.g., Internet of Things, 5G connectivity, cloud computing, block chain, Big Data, Artificial Intelligence – has triggered the emergence of new forms of organising inter-firm relationships and value chains, leading to ecosystems of inter-connected products developed by independent firms. The benefits of product eco-systems have been widely highlighted both in the academic and managerial literature. Yet, these benefits do not come without risks. The purpose of this Panel is to generate perspectives on risk and risk dynamics in product ecosystems and on the principles that might inform governance and management in such contexts.

SESSION 1003

RESPONSES TO CORPORATE FAILURE

TRACK O	Date	Monday, Sep 24
	Time	14:00 – 15:15
Paper	Room	Forum B

Session Chair: Daphne Yiu, *Chinese University of Hong Kong*

Devaluation of Corporate Leaders Following Corporate Failures: The Role of Leaders’ Business Ties

Jordi Surroca, *University of Groningen*  
Ziyuan Tang, *Xiamen University of Technology*  
Josep Antoni Tribó, *Carlos III University of Madrid*

According to existing literature, social capital buffers corporate leaders from professional devaluation after a corporate failure. In this paper, we analyze this prediction and provide a competing view such that different types of CEOs’ social capital may enhance the stigmatization of CEOs who have been singled out for a corporate failure. We tested our conjecture using a dataset that tracks 335 CEOs that changed job during the period 2004–2012. Our results show that CEOs who found a job in a firm within their personal network suffered fewer employment consequences than those who found it in a firm outside their networks. However, these effects reverse when the focal CEOs have high centrality in their network or belong to a network of high-reputation firms.



## Not All Responses Are the Same: How CEO Cognitions Impact Strategy When Performance Falls

David Wangrow, *Marquette University*

Kalin Kolev, *Marquette University*

Margaret Hughes-Morgan, *Marquette University*

This study integrates research on managerial discretion within the behavioral theory of the firm to examine how four CEO psychological traits serving as antecedents of managerial discretion—ambiguity tolerance, cognitive complexity, locus of control and commitment to the status quo—moderate firm responses to poor performance. We theorize and find that CEO ambiguity tolerance positively moderates the relationship between negative attainment discrepancy and strategic change when performance is slightly below aspirations, defined as average market return for the firm's industry. Further, CEOs with greater cognitive complexity engage in more strategic change when performance is farther below aspirations. Thus, our study begins to unpack the role of CEOs' cognitive makeup on firm responses to performance shortfalls.

## Game of Thrones: Should Senior Executives in Failing Firms Choose to Fight or Take Flight?

Shuo Yang, *Kent State University*

Ilgaz Arikan, *Kent State University*

Previous literature has addressed a senior executive's ship-jumping behavior to avoid bankruptcy stigma and resolved her dilemma from a network embeddedness perspective. We extend the literature by adopting a minimax regret equilibrium to explain how the executive chooses to fight or take flight based on her valuation of perceived regret. Her valuation of regret to fight is the difference between becoming a 'hero' to save the failing firm or becoming a 'culprit' to take all the blame; whereas her regret to take flight is the difference between becoming a 'survivor' from a sinking ship or becoming a 'loser' beaten by others. She will weigh the benefits and costs of regret for each choice and choose the option that yields minimum regret.

## Status Similarity and Vicarious Learning in Product Recall Strategy

Daphne Yiu, *Chinese University of Hong Kong*

William Wan, *Chinese University of Hong Kong*

Di Fan, *Macau University of Science and Technology*

Chris K. Y. Lo, *Hong Kong Polytechnic University*

We adopt a social learning perspective to explain the underlying evaluative process of the observing firm in eliciting a product recall strategic response. Using a panel data of 9,898 firm-year observations from 1,161 firms and 469 recall announcements during 1990-2011, we find that vicarious learning takes place among industry peers. We also delineate that vicarious learning is more salient in similar status groups than dissimilar status groups, which highlights the critical role of model-observer status similarity. In addition, we highlight that higher-status firms learn more from proactive recalls while lower-status firms learn more from passive recalls. This shed new lights that vicarious learning involves the evaluative meanings symbolized and transmitted in the response action of the model status at the larger social system level.

## SESSION 1011

### CEOS & EARNINGS

#### TRACK O

Date Monday, Sep 24

Time 14:00 – 15:15

#### Paper

Room Forum E

Session Chair: Fei Li, *Arizona State University*

## The Dark Side of CEO Organization Identification

Weiwen Li, *Sun Yat-sen University*

Wei Shi, *University of Miami*

This study investigates the influence of CEO organizational identification on strategic change. We argue that CEOs with strong organizational identification are less willing to initiate strategic change because their strong identification with their firms leads them to focus on ensuring continuity. In addition, the negative influence of CEO organizational identification on strategic change is stronger when the firm's performance falls short of aspiration levels and when the firm faces a dynamic environment. Using a sample of 1,285 CEOs, we find empirical support for our arguments. Findings from this study indicate that strong executive organizational identification can give rise to strategic rigidity, which can potentially harm firm interests.

## Setting Yourself up for Failure: CEO Hubris, Management Earnings Forecasts, and CEO Dismissal

Jeff Chandler, *Texas Tech University*

Farzaneh Noghani, *Texas Tech University*

This study builds on insights from upper echelon theory and signaling theory to examine the effects of hubris on CEO dismissals. Drawing from prior theory about CEO hubris, we argue that management earnings forecasts can be a response to leaders' exaggerated self-confidence, which influences them to overestimate their own abilities and their performances compared to others. Specifically, we argue that hubristic CEOs forecast earnings that are higher than less hubristic CEOs and earnings that exceed the firm's actual level of performance, therefore setting the stage for their dismissal from the firm for regularly missing their earnings forecasts. We find support for our theoretical arguments with a sample of Standard & Poor's (S&P) 500 CEOs, operationalizing hubris with a videometric technique.

## Firm Performance and Voluntary CEO Departure: The Role of CEO Outside Options and Skill Transferability

Aida Darouichi, *University of Geneva*

Sven Kunisch, *University of St. Gallen*

Markus Menz, *University of Geneva*

CEO succession research is abundant, yet it focuses on the dynamics of CEO dismissal. In the present study, we seek to understand why do CEOs leave their positions voluntarily, especially under well performing conditions. We draw upon the insights of strategic leadership and organizational economics' literatures to argue that CEO career opportunities and CEO skills transferability moderate the relationship between firm performance and voluntary CEO departure. We test our model on CEO successions of S&P500 firms for the 1993-2016 time-frame to find support for our hypotheses. The present paper contributes to the scholarship at the nexus of CEO tenure, succession, executive career/mobility, and contracting literatures. It informs on how CEOs' career considerations act as an interface between firm performance and the dynamics of CEO departure.



Too Busy to Wonder? The Influence of CEO Job Demands on Exploitative and Exploratory Innovation

Fei Li, *Arizona State University*  
David Hongquan Zhu, *Arizona State University*  
Liangding Jia, *Nanjing University*

Job demands have been widely studied as a key aspect of job environment that influences behavior and performance. Yet there has been limited research on whether and how job demands on top executives influence their strategic choices and organizational outcomes. In this study, we examine how job demands on a CEO influence firm performance in exploitative and exploratory innovation. We also investigate the moderating effects of emotional stability in these relationships. Using survey data collected from several hundred Chinese companies, we empirically examine those relationships. This study contributes to behavioral research on innovation and strategic leadership by explaining how job environments of CEOs influence different types of innovation.

SESSION 1028  
ATTENTION, COGNITIVE PROCESSES, AND STRATEGIC PERFORMANCE

TRACK P	Date	Monday, Sep 24
	Time	14:00 – 15:15
Paper	Room	Forum F

Session Chair: William Ocasio, *Northwestern University*

Attention Biases in Social Networks: Normative Implications for Behavioral Strategy

Luke Rhee, *University of California, Irvine*  
Paul Leonardi, *University of California, Santa Barbara*

This study starts with a question of to whose information people should pay attention at work if they wish to increase performance. Using survey data on communication networks at a mobile service company, we find that employees who allocate their attention to information from network brokers receive higher performance evaluations in innovation projects than those who pay no (or little) attention to that information. Although people should pay attention to information shared by network brokers for better performance, our data reveal that they typically pay less attention to information coming from network brokers than they do to information shared by other work colleagues. These findings about attention bias in social networks make a number of contributions to behavioral strategy and innovation in an organization.

How do Decision Makers Cognitively Address Risk? The Role of Performance Level and Deadline Proximity

Xavier Sobrepere, *University of Zurich*

Behavioral theory of the firm explanations for organizational risk-taking have largely considered the direct effect of performance feedback. However, the consequences of performance feedback on how decision makers cognitively address risky opportunities have remained unexplored. Aiming to fill this gap, I discuss how the consequences of the two Expected Utility Value components (probability of success/failure and magnitude of potential gains/losses) affect organizational risk taking differently as a function of two components of performance feedback (performance level and deadline proximity). In a nutshell, my results suggest that decision makers cognitively address risky opportunities conditional to current performance level and deadline proximity. I test my hypotheses analyzing 26,514 fourth-downs decisions from the National Football League between seasons 2009 and 2016.

In the Zone: Situated Drivers of Early and Intense Attention to FinTech by Incumbent Banks

Andrew Sarta, *Western University*

Under the umbrella of the Attention-Based View, managerial attention has proved to be an important explanatory factor in predicting organizational moves and adaptation. Despite this growing prominence, the multidimensional aspects of attention have received little focus in research. Specifically, early and intense managerial attention offers potential to further explain the behaviors of organizations undergoing periods of technological change. This study leverages the concept of situated attention to explain early and intense attention to new technologies by focusing on the financial industry as an empirical setting. By distinguishing the environmental contexts within which incumbent financial institutions operate, this study contributes a greater understanding of the temporality and intensity of attention towards the growth of financial technology (FinTech).

The Impact of Attentional Focus on Firm Performance: The Interactive Effects of Product Diversification

Susumu Nagayama, *Hosei University*  
Junichi Yamanoi, *Waseda University*

How does an organization's pattern of attentional focus influence firm performance? Although it is argued that a firm's attention to issues formulates its cognitive schemas and behaviors, few studies have explored its performance consequences. Based on the attention-based view, we propose that the diversity of attended issues within a focal firm, and the difference between these issues and the ones focused on by competitors, influence firm performance. This is because attention allocation informs an organization's reaction to problems, opportunities, and threats in the competitive landscape. Additionally, we also propose that attentional focus and corporate strategy interactively determine firm performance. Using topic modeling on annual financial reports from Japanese listed firms, we measured firm's attentional focus on issues and found general support for the hypothesized relationships.

SESSION 1082  
MANAGERIAL REASONING AND STRATEGY

TRACK P	Date	Monday, Sep 24
	Time	14:00 – 15:15
Common Ground	Room	Studio I+J

Session Facilitator: Arijit Chatterjee, *ESSEC Business School*

Abductive Reasoning in Strategy

Agnes Guenther, *Copenhagen Business School*  
Massimo Garbuio, *University of Sydney*  
Andy Dong, *University of Sydney*  
Boris Eisenbart, *Swinburne University of Technology*

Strategic tools and frameworks mostly analyze past and current situations as the basis for forecasts about future potential. The analyses themselves rely primarily on deductive/inductive logic, however the creation of hypotheses about future opportunities cannot be solely explained by deductive/inductive logics. Here we analyze differences in strategies' underlying logics. Using a content analysis study of S-1 filings, we elaborate on ways executives reason through such situations as the basis for the formation of the strategy for the firm. We contribute to existing research on the logic of reasoning in strategy, which has yet to provide analytical instruments to observe abductive reasoning. In addition, we introduce the notion of observation horizons and show how analogies, anomalies, and paradoxes prompt abductive reasoning.

## Ambidexterity and Microfoundations: The Role of Individual Ambidexterity

Eva M. Pertusa-Ortega, *University of Alicante*  
 José F. Molina-Azorin, *University of Alicante*  
 María Dolores López-Gamero, *University of Alicante*  
 Jorge Pereira-Moliner, *University of Alicante*  
 Juan José Tari, *University of Alicante*

Organizational ambidexterity is an important topic in strategy research. Ambidextrous organizations develop exploration and exploitation activities simultaneously. Most works have focused on the organizational level, examining antecedents and consequences of implementing organizational ambidexterity. The purpose of this paper is to examine the main characteristics of ambidexterity at the individual level (individual ambidexterity) through a microfoundations perspective of organizational ambidexterity. A systematic literature review is conducted to examine several key aspects of individual ambidexterity. The analysis of individual ambidexterity may help to open the black box of organizational ambidexterity and to advance research on this topic. The paper analyzes the main features of studies focused on individual ambidexterity, providing suggestions for future research that may create additional progress.

## Ambidexterity, Cognitive Strain and Emotional Labor: Furthering our Understanding of the Costs of Attentional Switching

Siri Boe-Lillegraven, *University of Amsterdam*  
 Christina Bidmon, *Aarhus University*

The ability of managers to balance exploration and exploitation is as an important precursor to achieving superior performance through organizational ambidexterity. Overseeing both explorative and exploitative activities, however, comes at a cost. For example, research has found that ambidextrous managers are more likely to suffer from cognitive strain. Unfortunately, however, we know little about the underlying mechanisms at play. Therefore, strategic management research can offer little to organizations and managers aiming to cope more effectively with ambidexterity. Drawing from theory on emotional labor and conservation of resources, we offer a framework illustrating the relationship between switching attention between exploration and exploitation, surfacing of negative emotions and cognitive strain. We highlight coping strategies associated with different effects for the managers as well as the wider organization.

## Executive Wisdom and Strategic Management

Elizabeth Maitland, *University of Liverpool*  
 Andreas Ortmann, *UNSW*

How executives exercise judgment in the performance of their roles and tasks, and how they acquire the strategic skills, or wisdom, to exercise such judgment are critical questions. Our interest in the exercise of strategic wisdom is twofold: what is the knowledge underpinning these strategic skills; and are they scarce? Both questions speak to the content, acquisition and remuneration of executive knowledge in a world beset with ever more ambiguity and complexity. Drawing on the ecological-rationality approach, we explore strategic wisdom, by designing simulated worlds subject to high and differing levels of complexity and ambiguity, and testing these worlds with executives. These models provide insight into the heuristics executives use to navigate complex strategic decisions and the potential overlap of these heuristics with strategy principles.

## Deal Duration in Acquisitions: Impact of CEO Regulatory Focus

Viswa Prasad Gada, *Indian Institute of Management Indore*  
 Manish Popli, *Indian Institute of Management Indore*

This study investigates the impact of CEO regulatory focus on deal duration in acquisitions. Albeit CEO cognition has got paramount importance in understanding the firm level strategic outcomes such as acquisition activity, corporate social responsibility, exploration and exploitation and so on, how CEO regulatory focus, determines the pre-merger activity deal duration in mergers and acquisition (M&A) deals is unexplored. Building on the behavioral underpinnings of CEO regulatory focus theory, we claim that due to vigilance nature, CEO prevention focus will be positively related to the deal duration. Further, we argue that industry relatedness mitigates this positive relationship as the knowledge of similar core practices of the related industry mitigates the concerns for vigilance. We tested our predictions on UK sample of acquisitions and found support.

## Getting Back With the Ex: A Memory-Based Perspective on Relationship Re-Establishment

Stephanie Koornneef, *Tilburg University*  
 Xavier Martin, *Tilburg University*  
 Youtha Cuypers, *Nova School of Business and Economics*

Numerous studies have established that firm behavior and decision-making is influenced by organizational memory. Furthermore, the dominant conceptualization of organizational memory is that it is information and knowledge stored in 'bins', and that organizational memory depreciates over time. Going beyond these core concepts, we develop a contingent theory of the retrieval and reactivation of organizational memory. In our theory, an organizational memory is not a binary concept that is either there or not and memory depreciation is variable. We emphasize how memories differ with respect to valence and strength, how memories compete with other memories (memory clutter) and how memories can be recalled by the use of aids. We test our hypotheses on a sample of relationship re-establishments between U.S. firms and their advertising agencies.

### SESSION 1154

### \* EMERGING SCHOLAR AWARD SESSION

<b>TRACK 5</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	14:00 – 15:15
<b>Special Panel</b>	<b>Room</b>	Auditorium

#### Session Leader

Exequiel Hernandez, *University of Pennsylvania*

#### Panelists

Prithwiraj Choudhury, *Harvard University*

Exequiel (Zeke) Hernandez, the 2018 SMS Emerging Scholar, and Raj Choudhury will discuss the importance of immigration for strategic management research and practice. The session will begin with a brief overview of Professor Hernandez's research. Professors Hernandez and Choudhury will explore how immigrants affect the stock and flow of productive labor, capital, and innovation in the economy, with an emphasis on the crucial but understudied role that firms play in mediating these effects. They will also consider the unique contributions that immigration can make to strategic management theory. The session will end with questions from the audience.



## SESSION 1113

**BUILDING DIGITAL STRATEGY RESEARCH AGENDA**

<b>TRACK B</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	15:30 – 16:45
<b>Paper</b>	<b>Room</b>	Auditorium

**Session Chair:** Youngjin Yoo, *Case Western Reserve University*

**Promise of Global Health Data: Exploring Digital Strategies for Enhanced Use**

Sirkka Jarvenpaa, *University of Texas at Austin*

M Lynne Markus, *Bentley University*

Discussions of “big data” focus on data volumes and storage, algorithms and decision-making, without attention to the characteristics of data per se. Attention to data is missing in studies of multisided platforms. Some focus on the exchange of health data without zeroing in on the use of linked health data. We explore enhanced data use of linked health data (e.g., genetic data linked with health records) both globally and locally, and the digital strategies and tactics that promote enhanced data use. Enhanced data use goes beyond regulatory, security, and privacy concerns. Enhanced data use can begin to address the return from the massive public and private investments in basic and applied health research and translational medicine around the world.

**Global Business and the Digital Economy: Agendas for International Business Research**

Jiatao Li, *Hong Kong University of Science and Technology*

Liang Chen, *University of Melbourne*

Jingtao Yi, *Renmin University of China*

Jiye Mao, *Renmin University of China*

Since digital technologies intrinsically foster internationalization, International Business has seen a growing scholarly interest in how platform networks, digital communication and user-aided innovation shape firms' international expansion and capability development in ways that challenge received wisdom. We focus on two types of digital-native businesses, i.e. multi-sided markets and social networks, and draw on recent insights from strategy and other fields to explore the nature and location boundedness of their firm specific advantages (FSAs). We discuss the implications of digitization for the transfer and creation of FSAs in the age of digital globalization.

**Are We Missing the Platforms for the Crowd?**

Gary Dushnitsky, *London Business School*

Markus Fitza, *Frankfurt School of Finance & Management*

Online platforms (Airbnb, Alibaba, Uber, Kickstarter, LendingClub) are a source of interest to practitioners and scholars. There is a flurry of research on the topic, yet, extant work focuses on within-platform dynamics. As such, an important lacuna characterizes the current literature. For example, it fails to recognize a platform makes strategic choices that affect success patterns within it, such that observing patterns on one platform does not necessarily advance our understanding of other platforms. Hence, we ask, are factors associated with success patterns in one platform replicable to other platforms? To address this question, we conduct a variance decomposition analysis of funding success across eight major crowdfunding platforms. Our paper provides evidence-based support for the need to complement single-platform studies by informing generalizability across platforms.

**Understanding the New Organizing Logic of Digital Platforms**

Ghanim Al-Sulaiti, *University of Cambridge*

Chander Velu, *University of Cambridge*

Youngjin Yoo, *Case Western Reserve University*

This study examines the new organizing logic of digital platforms. These platforms have modular architecture composed of four layers: content, service, network, and device. As a result, firms can strategically choose to expand horizontally and vertically across the layers and defer the binding of their platforms' complementary resources until the point of use. This study aims to determine when and why firms defer the binding of complementary resources on each platform layer and what the implications of these decisions are. A qualitative in-depth case study design will be implemented to establish a framework that explains the new organizing logic of different kinds of digital platforms. This framework will contribute to the strategy and information system literature in addition to providing practical insights to platform owners.

## SESSION 982

**IMPRESSION, REPUTATION, AND MISCONDUCT**

<b>TRACK E</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	15:30 – 16:45
<b>Paper</b>	<b>Room</b>	Forum F

**Session Chair:** Dovev Lavie, *Bocconi University*

**When an Industry Peer is Accused of Misconduct: Contagion Versus Competition Effects on Blameless Firms**

Ivana Naumovska, *INSEAD*

Dovev Lavie, *Bocconi University*

Corporate misconduct of an industry peer can generate negative consequences for blameless firms. However, competing blameless firms can also gain from the loss experienced by the accused peer. Our study seeks to reconcile these two opposing views, demonstrating how the market value of blameless firms is dually shaped by contagion and competition effects. Leveraging fine-grained product data to measure similarity and competition we analyze the stock market returns for 238 software firms following events of misconduct by their industry peers. We demonstrate that the negative contagion effect increases with the market overlap between the accused and blameless firm, but only up to a point, after which the positive competition effect begins to dominate. This U-shaped effect becomes stronger when the two firms share third-party ties.

**How do the Stability and Consistency of Reputation and Status Affect Firm Market Performance?**

Huy Nguyen, *University of Texas at Dallas*

Zhiang Lin, *University of Texas at Dallas*

Reputation and status have been regarded as two salient market signals. Yet few studies have examined their stability, consistency, while considering the network structure surrounding firms. We argue that the stability of and the consistency between reputation and status can provide additional signaling information to stakeholders and have important and unique implications for firms' market performance. Their performance impacts, however, may vary depending on whether a firm's network structure is open or closed. We intend to analyze a sample of firms from four U.S. industries over two decades to test these arguments.



## Competition at Risk and Overpayment as a Proof of Status

Byeongsik Kim, *Korea University*  
 Jieun Kim, *Korea University*  
 Young-Kyu Kim, *Korea University*  
 Jonghoon Bae, *Seoul National University*  
 Sangchan Park, *KAIST*

This study examines conditions under which a price anomaly, a price anomaly in which not a low-status producer but a high-status one may overpay for acquisition of certain assets arises when competition revolves around organizational status. We depart from the observation that overpayment is a way of status proof, which serves to defy the competition. We then propose that price anomalies would take place when high-status producers enter an open-ended competition to which entry barriers are absent. From the analysis of the two European football leagues and the art auction, we found that in an open-ended competition, overpayment was present; such a tendency was status-dependent; and it varied with the performance feedback from the market, which rendered the outcome to be debatable.

## Weathering the Storm: Network Change and Firm Performance After Financial Fraud

Chuljin Park, *University of New South Wales*  
 Wenpin Tsai, *Penn State University*  
 Razvan Lungeanu, *Northeastern University*

This study addresses the oft-debated question of whether, when, and how interfirm ties through interlocking directorates affect the performance of firms. Specifically, we explore a less-known area of how interfirm ties can be managed during the volatile period following a public disclosure of financial fraud and with what performance consequences. Our theoretical perspective addresses this issue by distinguishing between post-disclosure interfirm ties that provide access to information and resources (industry diversity ties) from ones focused more on legitimacy and reputational benefits (index and charitable ties), and how the impact of creating such ties differ across fraud and non-fraud situations. We test our theory using a matched sample analysis of financial fraud cases identified by the Securities and Exchange Commission (SEC) between 1998 and 2010.

### SESSION 987

## COMPETITION AND GROWTH

<b>TRACK E</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	15:30 – 16:45
<b>Paper</b>	<b>Room</b>	Forum E

**Session Chair:** Douglas Johnson, *Hillsdale College*

## Ownership, Competitive Actions and Business Growth

Wei Yang, *University of Glasgow*  
 Klaus Meyer, *Ivey Business School*

Firms engage in aggressive competitive actions to gain market share and hence to grow their revenues. However, not all firms are equally able to use competitive actions to drive growth. We argue that this ability to translate competitive actions to revenue growth depends on the ownership of the firm. Drawing on principal-agent and principal-principal perspectives, we argue that: private owners (both foreign and local) are better able to employ aggressive actions to grow their business than state owners; firms with multiple owners (especially international joint ventures) are less able to implement actions that drive business growth than full ownership.

## Firm Performance Under Government Ownership: Evidence from U.S. Government Intervention in Chrysler and General Motors

Kartik Rao, *University of Western Ontario*  
 Guy Holburn, *University of Western Ontario*  
 Adam Fremeth, *University of Western Ontario*  
 Tianjiao Xu, *University of Western Ontario*

We examine how government intervention in Chrysler and General Motors following the 2008 financial crisis—through equity ownership and active oversight of business strategy and operations—affected firm performance. Using the synthetic control methodology, which addresses concerns about endogenous treatment, we estimate that Chrysler as a whole experienced a 29 percent reduction in average monthly sales as compared to its synthetic counterfactual during the period of government ownership. We also find that the brands of both Chrysler and General Motors realized differential negative impacts in their average monthly sales, reflecting the government's different intervention approach to the two companies. Our findings contribute to the management literature on the role and impact of government in private industry.

## Are First Mover Advantages Worth More Under Uncertainty?:

Douglas Johnson, *Hillsdale College*

Theoretical work in strategy and finance has argued that the presence of “follow on” opportunities can lead to an increased likelihood of investment as uncertainty increases (Kulatilaka & Perotti, 1998). In this paper, we show that this result is dependent on specific assumptions and that when these assumptions are relaxed, their result changes so that increasing uncertainty leads to decreases in the likelihood of investment. We also discuss the conditions under which growth options effects will hold.

## How Do Firms Respond to Price Wars?

Aldona Kapacinskaite, *London Business School*  
 Sendil Ethiraj, *London Business School*

The starting point for this paper is the observed empirical patterns in the U.S. crude oil industry during a recent price war that commenced in December 2014. We observe that, in line with theoretical expectations, there was a decrease in entry of wells in the wake of the price war. However, contrary to expectations, the U.S.-based shale oil firms experienced productivity growth (i.e., greater amount of oil per well) in the wake of the price war. Firms eschewed drilling wells in order to save on entry costs and shifted spending toward innovation during the price war. We further explore the mechanisms behind the productivity growth of shale oil firms. The paper concludes with implications for understanding the drivers of innovation and change in technological trajectories.





## SESSION 1076

**WHAT DRIVES PERFORMANCE?**

<b>TRACK F</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	15:30 – 16:45
<b>Paper</b>	<b>Room</b>	Forum B

**Session Chair:** Maurizio Zollo, *Bocconi University*

**Business Model Relatedness as an Antecedent of Firm Performance**

Adrian Lüthge, *Technical University of Berlin*

Ulrich Pidun, *Boston Consulting Group*

Dodo zu Knyphausen-Aufsess, *Technical University of Berlin*

This study introduces a novel theoretical perspective to the diversification-performance relationship and proposes to conceptualize relatedness in firm portfolios through the lens of the business model and is based on widely available, secondary data. We argue that the unifying lens of the business model is better suited to capture the multidimensional nature of relatedness than existing measures, which are either grounded in the resource- or market-based view and thus bound to miss dimensions precluded from their respective theoretical vantage point. We empirically test our hypothesis and find strong support for a positive relationship between business-model relatedness and firm performance. Our suggested measure is weakly correlated with conventional, market-based relatedness and significantly better at explaining heterogeneity in firm performance.

**What Drives M&A Performance? A Fuzzy Set Approach**

Emanuele Bettinazzi, *University of Lugano*

Mario Schijven, *University of Illinois at Urbana-Champaign*

Maurizio Zollo, *Bocconi University*

Organizational processes like acquisitions entail large numbers of simultaneous elements that combine in complex ways to shape performance outcomes beyond the impact of each of them individually. To shed light on these combinations, we pivot from the traditionally adopted reductionist approach toward a holistic perspective and study acquisition performance as the outcome of configurations of elements using an fsQCA methodology. Relying on data from a survey on 137 acquisitions, we study the interplay of three sets of factors that capture the essence of the acquisition process: (a) the characteristics of the acquisition (b) the sources of capabilities a firm can leverage (c) the decisions that are taken along the process.

**Performance Implications of the Buy-to-Make Sourcing Strategy Sequence in Response to a Disruptive Innovation Shock**

Woo-Yong Park, *Hong Kong Polytechnic University*

Todd Zenger, *University of Utah*

This study investigates incumbents' make-buy sourcing strategies in response to a disruptive innovation. We demonstrate in the U.S. bicycle gear-shifting market that the buy-to-make sourcing strategy sequence through the early and later periods of a disruptive innovation, respectively, will likely lead firms to enjoy the greatest long-term performance advantage, compared with three other sourcing approaches – adherence to a make strategy or a buy strategy through both the early and later periods, and a make-to-buy sourcing strategy sequence through both periods. To the best of our knowledge, this study is the first in the technology management and strategy literature to explore the role of sequential sourcing decisions for performance advantage as a viable and distinctive sourcing approach in the face of disruptive innovations.

**Can Managers' Due Diligence Efforts Increase the Value of Acquisitions? Evidence from Cellphone Tracking Data**

Marco Testoni, *University of California, Los Angeles*

Mariko Sakakibara, *University of California, Los Angeles*

Keith Chen, *University of California, Los Angeles*

We investigate the determinants of managers' due diligence efforts and their effects on the outcomes of mergers and acquisitions. Managers' investment in due diligence activities should be greater when they face higher information asymmetry and perceived benefits exceed costs. Putting efforts in due diligence should also enhance the value of acquisitions. We proxy acquirers' due diligence efforts with the total time their employees spend at the targets by utilizing cellphone tracking data. We find that the intensity of inter-company visits is greater when the targets are in industries unrelated to the acquirers and declines as the transportation time between the acquirers and the targets increases. Moreover, the stock market reacts positively to the acquirers at acquisition announcements when the intensity of inter-company visits is higher.

## SESSION 1116

**MICROFOUNDATIONS OF GLOBAL STRATEGY: MANAGERIAL COGNITION AND BEHAVIOR**

<b>TRACK G</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	15:30 – 16:45
<b>Common Ground</b>	<b>Room</b>	Studio I+J

**Session Facilitator:** Andreas Schotter, *University of Western Ontario*

**A Managerial Perspective on Internalization Theory: Management Ability, Board Effectiveness and FDI Performance**

Tao Han, *Tilburg University*

Xavier Martin, *Tilburg University*

This study revisits internalization theory by highlighting the essential role of internal governance in explaining the performance of firms' foreign direct investment (FDI). Drawing upon upper echelon and agency perspectives, we predict that firms with greater management ability or higher board effectiveness are more likely to benefit from internalizing the cross-border transactions that use corporate intangibles, because of increased governance efficiency. Empirical analysis of over 5,000 cross-border mergers and acquisitions (M&As) by U.S. firms from 1996 to 2016 shows that management ability and board effectiveness, namely independence, expertise, busyness, and motivation, are important moderators for the intangibles – performance relationship.

**Configurations of Microfoundations and Firm-Level Dynamic Capabilities as Strategic Enablers of International New Venture Survival**

Vaibhav Gupta, *University of South Australia*

Marc Orlitzky, *University of South Australia*

Bruce Gurd, *University of South Australia*

Why do so few international new ventures (INVs) survive beyond the first five years of internationalization? We argue that the answer to this question manifests not in the singular effect of individual-level or firm-level characteristics, but a more complex constellation of entrepreneurial microfoundations and firms' dynamic capabilities, which are expected to produce equifinal INV benefits. More specifically, in this study we explore the configurations of entrepreneurial alertness and dynamic capabilities to conceptually answer questions about survivability of INVs. In this paper, we present a brief review of the INV literature (in the context of their survival chances), develop a conceptual framework, and offer six propositions.

## Coping with Psychic Distance: Modes and Mechanisms

Mariola Ciszewska-Mlinaric, *Kozminski University*

The phenomenon of psychic distance (PD) has a long history of research, being either a central theme or a “ritual” variable in studies examining internationalization process. The extant evidence is rich, but there are still important gaps of how managers of emerging market firms cope with difficulties resulting from PD. We examine these issues on a sample of firms from Poland which can be considered as a mid-range emerging economy (Hoskisson et al., 2013). Research findings, based on a multiple case study method (four in-depth cases) allowed to develop a model of coping modes and mechanisms.

## The Microfoundations of Strategy Implementation Success in Multinational Subsidiaries

Donal O'Brien, *Dublin City University*

Pamela Sharkey Scott, *Dublin City University*

Ulf Andersson, *Malardalen University*

Na Fu, *University of Dublin*

Subsidiary contribution relies on key individuals within organizations to prioritize or give their energy and attention (Birkinshaw et al., 2007; Bouquet et al., 2011) to building linkages for accessing knowledge and opportunities (Cano-Kollmann et al., 2016; Schotter et al., 2011). To date however, the rich subsidiary literature has largely overlooked the individual activities and interactions required by subsidiary managers to build crucial linkages and access vital knowledge (Lorenzen et al., 2013). This paper addresses this issue and develops a typology of subsidiary manager's attentional engagement on key strategic activities both inside and outside the firm. The importance of these individual activities is then confirmed by uncovering their impact at the microfoundations of strategy capability development and strategy implementation success in multinational subsidiaries.

## The Bias of Prior Success on Risk-Taking in Internationalization

Jan Hendrik Fisch, *WU Vienna*

Kathrin Schwaiger, *WU Vienna*

Even though country risk plays a key role in the internationalization process, its impact on investment decisions seems ambiguous. This study advances existing research by deploying prospect theory to analyse how a firm's prior performance influences its risk-taking in regard to three distinguished types of risk. Conflicts in host countries impose negative risk on foreign operations, economic cycles induce mixed risk, and the chance on the establishment of a bilateral trade agreement constitutes positive risk. The results of an event-history study of 795 manufacturing firms support the prediction that prior success tempts investors to choose host countries with high levels of negative or positive risk. On the contrary, past performance strengthens their avoidance of locations with high mixed risk.

## Dynamics of Entrepreneurial Internationalization: A Theoretical Framework

Hadi Fariborzi, *University of Calgary*

In this paper, I propose a theoretical model to explain the dynamics of entrepreneurial internationalization. With this framework, we can explain the entrepreneurial process of identifying international opportunities, seizing them, and the feedback effects of such internationalization in terms of learning and accumulated market knowledge. The framework also sheds light on the opportunity seizing capability of the firm using the notion of firm-specific advantages of the firm transferred to or created in the new location. The proposed framework is informed by three models from extant literature trying to capture dynamics of internationalization, namely the Entrepreneurial Internationalization Process model of Jones and Coviello (2005), the New Internalization Theory framework suggested by Verbeke and Kano (2015) and the Dynamic Capabilities perspective proposed by Al-Aali and Teece (2014).

## SESSION 1122

## HEADQUARTER-SUBSIDIARY RELATIONSHIPS AND INTERACTIONS

### TRACK G

Date Monday, Sep 24

Time 15:30 – 16:45

### Paper

Room Scene G+H

Session Chair: Ilya Cuypers, *Singapore Management University*

## Gauging Subsidiary Influence and Performance through Issue Selling and Involvement of Headquarters in Subsidiary Operations

Amalia Nilsson, *Uppsala University*

Henrik Dellestrand, *Uppsala University*

We analyze how subsidiaries focusing on strategic issues when engaging in issue selling can trigger headquarters involvement, and in turn how this affects subsidiary influence and performance. We find that by focusing on issues of strategic importance, subsidiaries can attract headquarters involvement that increases subsidiaries' influence over corporate investment decisions and subsidiaries' performance. This extends the attention-based view as involvement captures the actual behavior of headquarters and manifestations of attention to subsidiaries, develops our understanding of the dynamics of the headquarters-subsidiary relationship, and contributes to our understanding of subsidiary issue selling. Thus, this paper contributes to our understanding of the increasingly important role of subsidiaries in multinational corporations.

## Headquarters' Parenting Styles: Examining Headquarters' Positive & Monitoring Attention to Subsidiaries

Amalia Nilsson, *Uppsala University*

Felipe Monteiro, *INSEAD*

Receiving positive attention from headquarters is essential to a subsidiary's ability to receive resources, act on opportunities that arise, and improves the performance of the subsidiary and the firm alike. The impact of receiving both positive and monitoring attention, however, is less understood. Through case studies of five subsidiaries of Swedish multinational corporations in Japan, we uncover the effects of different types and levels of attention from headquarters. We find that the prevalence of subsidiaries receiving mixed attention is more common than previously shown. Building on this insight, we develop an attention-based parenting typology to explain differences between combinations of levels and types of attention. Implications for the attention, MNC, and the parenting literature are discussed.

## Convincing the Parent: How Does the Headquarters' 'State of Mind' Shape Subsidiary Initiatives?

Anirvan Pant, *Indian Institute of Management Calcutta*

Acknowledgement of how entrepreneurship by the multinational subsidiary can lead to novel capability development within the MNC network has led to extensive research on the theme of subsidiary initiative. Although this literature has greatly enhanced our understanding of subsidiary-level contingencies that shape the success of subsidiary initiatives, there is rather limited engagement with the headquarter(HQ)-level contingencies that facilitate a similar outcome. In this proposal, we examine an important HQ-level contingency – the HQ's 'state of mind' (Perlmutter, 1969) – and develop theoretical propositions on the nature of resources that subsidiaries need to convince the parent to support specific types of initiatives.



The Impact of Coopetition Inside The MNE on Subsidiary Charters

Edward Gillmore, *University of Dundee*  
As the MNE is increasingly disaggregating its value chain subsidiary mandates are increasingly overlapping (Kappen, 2011) and subsidiaries have become responsible for more than one mandate (Rugman, Verbeke and Yuan, 2011). This has led to increasing competition between already collaborating subsidiaries (Lou, 2005) but there has yet to be any examination of the outcomes on subsidiary mandates due to this increased coopetition. This paper focuses on the drivers and mechanisms of how mandates are lost in cooperative and competitive MNE settings. This study bases its empirical analysis on data collected from two Swedish MNEs, Alfa and Beta, and their foreign subsidiaries in Europe, China, India and North America.

SESSION 1021  
INNOVATION AND INDUSTRY EVOLUTION

TRACK I	Date	Monday, Sep 24
	Time	15:30 – 16:45
Paper	Room	Studio D
Session Chair:	Sonali Shah, <i>University of Illinois at Urbana-Champaign</i>	

Immortality Through Knowledge: The Role of Pioneering Firms in the Growth of Nascent Industries

Audra Meade, *University of Maryland*  
Serguey Braguinsky, *University of Maryland*  
Sonali Shah, *University of Illinois at Urbana-Champaign*  
We know pioneering firms succeed or fail given high uncertainty in nascent industries, but what happens to the knowledge they create? Our inductive study examines pathways through which knowledge generated by pioneering firms lives on, regardless of whether the firms survive. Examining the global mobile money industry, we analyze quantitative and qualitative data on the census of 30 pioneering platforms across 20 nations. Our study reveals several key insights. While only 43% of pioneering platforms exist today, the knowledge created by nearly 75% lives on, transferred to existing platforms through knowledge pathways including the acquisition of “failed” firms, and alliances with technology vendors. Moreover, there exist systematic differences in pathways utilized by startups and diversifying entrants, based on their fate in the markets they enter.

Innovation and Fat-Tail Distribution

Eucman Lee, *Nanyang Technological University*  
Jeho Lee, *Seoul National University*  
Jingoo Kang, *Nanyang Technological University*  
Our analysis of US patents shows that the numbers of patents owned by firms follow a power-law distribution—many firms only have tens of patents, whereas a handful of firms have more than ten millions of patents. To understand the underlying mechanism that generates this extreme kind of fat-tailed distribution, we developed a computational model. Our numerical results show that such an extreme fat-tail phenomenon can arise when competition for innovation is characterized by positive feedback between R&D and profits, where winners with more innovations perform increasingly better over time as they invest in R&D more aggressively. We also find that such a fat-tail is possible when the dynamics are compounded by the intensity of market competition and new market entry.

Overcoming Growth Bottlenecks: An Empirical Exploration of the Nascent Auto Industry

Sandeep Devanatha Pillai, *University of Maryland*  
I argue that, in the nascent automobile industry (1895-1923), production scaling was a critical and difficult problem. I suggest that founders with prior experience in metal product factories were better equipped to manage manufacturing complexities. I contribute to the heredity and founding teams literature by demonstrating how important capabilities will be idiosyncratic—in this case ‘knowledge about how to scale’ was the critical capability that spinoffs and diversifying entrants inherited from their pre-entry experience. I contribute to the industry life cycle literature in demonstrating a boundary condition – in this case, even before industry shakeout, firms needed to focus not only on technical innovation, but also on process innovation. I suggest that literature should identify growth bottlenecks and the capabilities needed to overcome them.

Generalists vs. Specialists: Factors Underlying Entrants’ Technology Choices during the Period of Ferment

Anavir Shermon, *University of North Carolina at Chapel Hill*  
Mahka Moeen, *University of North Carolina at Chapel Hill*  
Experimentation with technical designs is a key feature of the period of ferment of a nascent industry. Yet, the antecedents of firms’ technological choices remain understudied. In presence of uncertainty and heterogeneity in commercial applications, firms may pursue either a generalist design that appeals to a wide range of applications, or a specialist design that has component features tailored to the specific needs of each application. This paper links firms’ pre-entry capabilities to their choice generalist or specialist technical designs. Within the context of the commercial unmanned aerial vehicles (drones), we suggest that relative to entrepreneurial startups, diversifying entrants are more likely to pursue a specialist design.

SESSION 1106  
SKILLFUL USE OF STRATEGY TOOLS, PRACTICES, AND DISCOURSES

TRACK J	Date	Monday, Sep 24
	Time	15:30 – 16:45
Paper	Room	Forum I+J
Session Chair:	Helene Loe Colman, <i>BI Norwegian Business School</i>	

Exploring strategy events as staged performances: a practice-based analysis of Annual General Meetings

Uche Ogwude, *Aston University*  
Carola Wolf, *Aston University*  
Gary Burke, *Aston University*  
Efsthathios Tapinos, *Aston University*  
Despite an increasing body of research focusing on strategy events, more empirical insights are needed to fully understand the performative aspects of such events. Based on a video-ethnography drawing on recorded data of Annual General Meetings (AGMs) from seven companies across different industry contexts we explore how these strategy events are accomplished through a particular set of interacting practices. Our analysis first presents three aggregate dimensions based on observed themes in AGMs. We then conclude our findings by introducing a theoretical model of AGM performance.

## Juggling Technologies-In-Use: Reflecting on Multimodal Data Collection Decisions in Strategy Workshops

Jarryd Daymond, *University of Sydney*

Strategy researchers are attempting to better understand the dynamics in strategy work by examining the interplay of materiality, embodiment, talk and text in strategy activities. Collecting rich and comprehensive datasets in dynamic, multi-actor, multimodal settings often requires in-the-moment “cinematic decisions” from field researchers. These decisions can emphasise or silence aspects of social reality and therefore should be reflexively scrutinised and transparently presented. In this paper, I reflexively discuss two instances of such cinematic decision-making during a multiday strategy workshop. I demonstrate how researchers using multimodal methods often juggle and privilege multiple fieldwork technologies-in-use. I also highlight how recording procedures and choices shape research outcomes, and forewarn researchers as to the kind of data collection choices they may encounter in dynamic multi-actor workshops.

## Understanding Sensegiving Practices of Middle Managers During Strategic Change: A Dynamic Perspective

Polydefkis Loukopoulos, *Philips Lighting*  
Lionel Garreau, *Paris-Dauphine University*

This research is concerned with how Middle Managers (MM) make sense of strategic change by focusing on understanding what they do in terms of activities and practices, seeing sensemaking as a set of activities. Based on an interpretive unique case study it draws on the implementation of a top down strategic change initiative in a multinational technology firm. Through inductive reasoning, we identify a set of four sensegiving modes that aggregate sixteen practices. Considering how MM made sense of the situation when implementing these sensegiving practices, we identify two sensemaking dimensions that articulate with sensegiving practices. Ordering the sensegiving practices with the underpinning sensemaking elements overtime we identify the dynamics of these practices and propose a process model of sensegiving practices as performed by MM.

## Implementing Strategy: The Design, Meaning Making and Political Perspectives of Strategy Implementation Work

Martin Friesl, *Lancaster University*  
Inger Stensaker, *Norwegian School of Economics*  
Helene Loe Colman, *BI Norwegian Business School*

The objective of this paper is to put strategy implementation back on top of the research agenda. While the notion of strategy implementation is rare in more recent strategy research there is a vibrant debate on closely related themes such as top down strategic change resulting in a fragmentation of the body of knowledge. This paper presents a substantial review of research on strategy implementation. We conceptualize implementation as a particular type of strategy work; manifest in the actors, activities and tools through which strategy implementation is accomplished. Our analysis revealed three distinct perspectives of strategy work: strategy implementation as design, as meaning making and as political work. Based on our review we develop an agenda for further research on strategy implementation.

## SESSION 1097

## INNOVATION AND ENTREPRENEURSHIP

<b>TRACK K</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	15:30 – 16:45
<b>Paper</b>	<b>Room</b>	Forum G+H
<b>Session Chair:</b> Anneleen Van Boxstael, <i>Eindhoven University of Technology</i>		

## Disruptive Innovations in the Sheet Music Industry: A Multiple Case Study of Entrepreneurial Firms

Anneleen Van Boxstael, *Eindhoven University of Technology*  
Fredrik Hacklin, *ETH Zurich*  
Marc Gruber, *Swiss Federal Institute of Technology Lausanne*  
Bart Clarysse, *ETH Zurich*

Current disruptive innovation theories suggest that disruptors are eventually able to better address consumer needs with their technology. With a comparative case study of seven cases, we develop a theoretical model that proposes pathways along which entrepreneurial firms actually make sense of consumer needs in a digital innovation context with disruptive potential. One such pathway echoes an activist movement defined by a cause to “democratize” technology. Entrepreneurial firms along that pathway build their disruptive capability by orchestrating a broad community which exceeds the traditional boundaries of user and developer communities in digital technology settings. Our research hereby opens up new debates about the nature of disruption and introduces the idea of “disruption by orchestrating a community.”

## Do Patents Shape The Competitive Landscape?: Evidence From A Natural Experiment

Sina Khoshokhan, *Boston University*

Entrepreneurial firms are vital sources of innovation yet face well known challenges during the commercialization process. This study examines a withdrawal of patent protection for isolated genes and tests its effects on entrepreneurial and innovative activity in the biopharmaceutical and diagnostic testing industries. Using an unexpected legal shift in 2013 as a quasi-experiment and rich data at the organization and product level, this study provides new evidence on the role that patents play in technology markets and new product introductions. Specifically, I aim to provide evidence on the role of patents in shaping the competitive environment by affecting entrepreneurial and established firms’ decisions to collaborate or compete.

## Avoiding the Hybrid Trap

Eirik Sjaholm Knudsen, *Norwegian School of Economics*  
Ivan Belik, *Norwegian School of Economics*

This paper studies how firms can balance the advantages and disadvantages of following a hybrid strategy when increasing efforts on a new technology. We propose that firms can use a computational method called minimum spanning trees to organize the links between the team working on the new technology and the rest of the organisation in ways that enable the former to access the necessary general complementary assets, while at the same time keeping the number of links to the mother organization at a minimum. This should improve the ability of the firm to develop the new technology in a way that is less contingent on the established technology, and also makes it easier spin out the unit as an separate business at a later stage.





R&D Spending and Intellectual Property: The Moderating Role of Founders’ Immigrant Status

R.Isil Yavuz, *Ozyegin University*  
Niron Hashai, *The Interdisciplinary Center Herzliya*  
In this paper, we examine founders’ immigrant status and how it in conjunction with R&D spending influence firm IP ownership in the context of high technology new ventures in the U.S. We empirically test this research question by examining 386 high technology new ventures from the Kauffman Firm Survey (KFS) dataset. We find that while there is no significant main effect of either R&D spending or founders’ immigrant status on IP propensity, their interaction is significant such that R&D spending has a positive and significant effect on IP propensity only when founders are immigrant. The study provides insights for entrepreneurs, investors, and policy makers who are concerned with immigration and increasing IP performance in high technology new ventures in this era of de-globalization.

SESSION 1102

COMPETITIVE & COOPERATIVE DYNAMICS IN ENTREPRENEURSHIP

TRACK K	Date	Monday, Sep 24
	Time	15:30 – 16:45
Paper	Room	Studio F
Session Chair:	Manuela Hoehn-Weiss, <i>Oregon State University</i>	

Categories, Conjectures, and Strategic Entrepreneurship

Randall Westgren, *University of Missouri*  
A formal model to describe a particular form of category: the strategy space that describes the positions of competitors in terms of their products’ attributes and the production resources and technologies employed. The sub-spaces of product attributes and technology/inputs can include specific characteristics of the firm, including credence attributes that may attach to the product or to the process technology. An incipient entrant forms a conjecture about how a proposed innovation in strategy space will result in position and performance relative to the incumbents. The categorization of innovation is tied to Schumpeter’s five types and the conjecture to Knight’s conception of uncertainty for entrepreneurs. The formal model is developed using Lancaster’s attribute model of demand to permit empirical analysis of positioning in strategy space.

I’ve Got a Golden Ticket! Competition and Cooperation in the Craft Chocolate Industry

Manuela Hoehn-Weiss, *Oregon State University*  
Emily Cox Pahnke, *University of Washington*  
Drawing on insights from the competitive dynamics literature and the recent stream on coopetition, we examine competitive behavior of new ventures in a non-high-technology, craft industry. To study the competitive behavior used by firms in this sector, and how their behavior affects firm performance, we use both qualitative and quantitative data. Initial results support the notion that competition and cooperation simultaneously drive competitive behavior in this space, much more so than has been observed in other craft industries. We extend research on competitive behavior of new ventures and coopetition, and we provide insights for entrepreneurs entering and competing in non-high-technology environments.

Early Strategic Action Repertoires in Entrepreneurial Ventures: Potential Profiles and Growth Implications

Barbara Larraneta, *Pablo de Olavide University*  
Gloria Solano, *Pablo de Olavide University*  
Rocio Aguilar, *Pablo de Olavide University*  
This study aims at understaing how entrepreneurial ventures compete in their search of competitive advantage by providing a dynamic and multi-dimensional view of their competitive activity during their early years of operations. Following a strategic action repertoire approach we propose the existence of alternative trends in the early competitive activity of entrepreneurial ventures with important implications for their growth. Drawing on a sample of entrepreneurial ventures that operate in various service industries we identify 4 different profiles or typologies that capture various facets of the strategic repertoires observed across entrepreneurial ventures overtime and; determine the implications of these dynamic profiles of strategic repertoires for the growth in employees of these ventures. The typology presented has important implications for research on competitive dynamics and entrepreneurship.

The Effects of Identity and Capability Signals on Alliance Formation

Rui Shen, *Peking University*  
Gina Dokko, *University of California, Davis*  
When moving into new business areas, it is helpful to have alliance partners to share risk and learning; however, potential partners may be unwilling to join an inexperienced firm. In this study, we argue that the consistency between a firm’s proposed new activities and signals about its identity and capabilities makes the firm more attractive as a potential partner. To test these ideas, we study alliance formation in China’s venture capital (VC) industry. Using data about a VC firm’s investments, its own statements about investment preferences, and its hiring of venture capitalists, we find that consistency between a VC firm’s proposed movement into earlier stage investing and signals about its identity and capability increases the likelihood of syndication.

SESSION 977

HIRING, TRAINING, AND PROMOTIONS

TRACK L	Date	Monday, Sep 24
	Time	15:30 – 16:45
Paper	Room	Forum A
Session Chair:	Christiane Bode, <i>Bocconi University</i>	

Internal Labor Markets and Knowledge Creation of the Firm in Uncertain Environments

Hyesook Chung, *Cornell University*  
Many firms that once relied on internal labor markets (ILMs), which refer to employment systems primarily governed by a set of organization-specific internal rules and procedures, have shifted to greater use of external markets to meet their employment needs. Some argue that ILMs have become an outdated HR strategy because the use of ILMs may inhibit the firms’ capabilities to adapt to uncertain environments. In this paper, I challenge this conventional wisdom and propose that ILMs have the potential to enhance a firm’s adaptability by facilitating its knowledge creation process. Drawing on panel data from 271 manufacturing firms, this study demonstrates that firms making greater use of ILMs in competitive industries exhibit more effective implementation of organizational learning practices – leading to higher knowledge creation.

MONDAY 15:30 – 16:45



## Supply-Side Constraints, Information Failures, and Transaction Costs in External Labor Markets: Implications for Employee Training

Shaleen Gopal, *Indian Institute of Management Udaipur*

Murali Patibandla, *Indian Institute of Management Bangalore*

Human capital research suggests that firms invest in firm-specific skills but obtain generic skills externally. We examine the effect of supply side failures resulting in inability of external labor markets to supply the requisite skills on firms' investments in employee training. Drawing upon information economics and transaction costs research, the study conceptualises firms' investment in employee training as a choice between external hiring and internal training. We argue that the internal training becomes relatively more efficient in case of supply side failures as external hiring costs increase. We use Indian software industry over the period 1996-2015 as the empirical context. Supply side failures due to underdeveloped local educational institutions and lagging technological context in India offer an appropriate setting to test our arguments.

## Promotion Time and Overtime at the Patent Office

Roman Galperin, *Johns Hopkins University*

Colleen Stuart, *Johns Hopkins University*

This paper argues that gender disparities in careers may arise in the absence of subjective evaluation by managers and unequal allocation of non-promotable tasks. Using detailed administrative data on productivity and work hours of U.S. patent examiners---knowledge workers performing comparable tasks in the context of minimal managerial discretion over promotions---we find that women take longer to attain early career milestones than men, despite equal or superior performance on operational productivity metrics. Managerial discretion is minimal by design, and task allocation is conditionally-random. We find instead, that examiners use different strategies to cope with shortage of allotted examination time: men work more overtime, while women postpone substantive decisions with intermediate ones that satisfy operational productivity metrics, but result in slower prosecution of patent applications.

## Up to no Good? Gender, Social Impact Work and Employee Promotions

Christiane Bode, *Bocconi University*

Michelle Rogan, *University of North Carolina at Chapel Hill*

Jasjit Singh, *INSEAD*

Firms have begun to provide opportunities for employees to participate directly in firm sponsored social impact initiatives. We propose that such participation negatively affects employees' advancement within the firm because it leads organizational members to question the employee's commitment to the firm's commercial goals and their careers. Furthermore, because the male gender role stereotype is less congruent with social impact work than the female one, the promotion penalty should be greater for men. Using archival panel data on 1,379 employees of a management consulting firm we find that promotion rates for women who participated were similar to women who did not, but men who participated were significantly less likely to be promoted than men who did not.

## SESSION 901

### STAKEHOLDER VALUE CREATION: FROM FOCAL ORGANIZATIONS TO COMMUNITY ACTION

<b>TRACK M</b>	<b>Date</b>	Monday, Sep 24
<b>Parallel Panel</b>	<b>Time</b>	15:30 – 16:45
	<b>Room</b>	Scene DEF

#### Session Chair

Sophie Bacq, *Northeastern University*

#### Panelists

G. T. Lumpkin, *University of Oklahoma*

Anita McGahan, *University of Toronto*

Bertrand Quelin, *HEC Paris*

Trenton Williams, *Indiana University*

Our panel aims at bringing together experts with different perspectives to exchange views on the creation of value, both economic and non-economic, for a broad set of multiple and heterogeneous stakeholders, beyond primary ones. While stakeholder strategy research typically addresses the issue of stakeholder value creation from the perspective of a focal organization aiming to thrive financially, this panel adopts the perspective that strategic management scholarship has much to gain from shifting attention to the diverse ways (governance, public-private partnerships, collective action, entrepreneurship) that can be employed to create stakeholder value. One of the panel objectives is to move the discussion to new grounds, new theoretical lenses, new methodological approaches, and new levels of analysis, which challenge and complement current stakeholder strategy theory and models.

## SESSION 1039

### CRISES, SCANDALS, AND NEGATIVE EVENTS

<b>TRACK M</b>	<b>Date</b>	Monday, Sep 24
<b>Paper</b>	<b>Time</b>	15:30 – 16:45
	<b>Room</b>	Forum C

**Session Chair:** Olga Hawn, *University of North Carolina at Chapel Hill*

### A Stakeholder Perspective to Crisis Management: How Stakeholder Sensegiving Influences Firm Sensemaking and Crisis Response

Alanna Hirshman, *West Virginia University*

David Dawley, *West Virginia University*

Miles Zachary, *Auburn University*

Drawing on sensemaking, sensegiving, and social approval research, we extend inquiry on stakeholder perceptions following an organizational crisis. Whereas past studies have focused on stakeholder perceptions as consequences of crisis events, we take a more dynamic, reciprocal approach that argues stakeholder perceptions are also important antecedents that influence crisis response strategy selection. We argue that media and investor reactions to a crisis directly influence whether firms respond defensively or accommodatively. Additionally, we argue that endowments of social approval act as interpretive lenses that affect how firms make sense of and prioritize stakeholder reactions when selecting a crisis response strategy. In doing so, we extend theory on affective sensemaking and sensegiving, the reciprocal relationship between firms and stakeholders, and the stakeholder perspective to crisis management.



Bad News, Now What? Attention, Negative Events, and Corporate Social Responsibility

Olga Hawn, *University of North Carolina at Chapel Hill*  
Ioannis Ioannou, *London Business School*  
Rodolphe Durand, *HEC Paris*

Firms around the world face growing pressures on environmental, social, and governance (ESG) issues, oftentimes through severe negative media coverage. How do they respond to bad news – and the underlying ESG challenges – and why? We argue it depends on issue coverage by the media and severity of the criticism, moderated by prior attention paid to a focal issue (i.e., issue salience), stakeholder salience and slack resources. We plan to demonstrate that firms’ attention to ESG issues (i.e., issue salience before the negative news) activated by the media (i.e., via issue coverage and criticism) with wider reach (i.e., stakeholder salience) generates the most substantive response to the issue, particularly if firms possess slack resources. We contribute to the CSR literature and attention-based view.

The Art of Delivering Bad News: A Study of Financial Restatement Announcements

Yasir Dewan, *Tilburg University*  
Joeri van Hugten, *VU University Amsterdam*

Prior research has examined the use of firms’ verbal accounts for impression and crisis management. The focus is on focal organization’s response to allegations of misconduct or to manage an ensuing crisis. We argue that the focal organization itself announcing the onset of a potential crisis is a prevalent and distinct phenomenon, and as such aim to develop a taxonomy of verbal strategies employed by the organizations to announce a potential crisis and to examine the effectiveness of these verbal strategies. Our empirical context is financial restatement announcement by the US firms. We code restatement announcements to induct different strategies used by the firms to deliver bad news and use the market reaction to restatement announcements as a test of the effectiveness of these strategies.

Firms’ Indirect Responses to Stakeholders’ Attacks

Mohamad Hasan Sadri Karami, *IE Business School*  
Caterina Moschieri, *IE Business School*

Stakeholders’ attacks can have severe negative reputational and performance consequences for the firms. Firms may struggle to respond to these attacks. In this study, we theorize about when and why firms choose to respond indirectly to stakeholders’ attacks. Building on stakeholder saliency literature, we propose a conceptual model to explain indirect responses and their boundary conditions. We illuminate two main concepts that explain firms’ indirect responses, i.e. the attainability of resources, the susceptibility of non-attacking stakeholders to the attacker. By developing new theoretical explanations for firms’ indirect responses to stakeholders’ attacks, we contribute to and complement current theoretical models and empirical evidence, which have mostly delved into understanding the lack of responses and direct responses to stakeholders’ attacks.

SESSION 944  
COOPERATION, OPPORTUNISM, AND CONFLICT  
IN FIRM RELATIONSHIPS

TRACK N	Date	Monday, Sep 24
	Time	15:30 – 16:45
Common Ground	Room	Studio A

Session Facilitator: Ravi Madhavan, *University of Pittsburgh*

Assessing Small and Large Firms’ Willingness to Cooperate with Competitors for Innovation

Paul Chiambaretto, *Montpellier Business School*  
Maria Bengtsson, *Umeå University*  
Anne-Sophie Fernandez, *University of Montpellier*  
Malin Näsholm, *Umeå University*

Coopetition provide both benefits and risks for firms developing joint innovation. But these benefits and risks differ for small and large firms. It thus seems essential to understand how small and large firms make a trade-off between benefits and risks when choosing a competitor to innovate with. We conduct an experimental research design based on a choice-based conjoint analysis (CBC) applied to a sample of innovative Swedish firms. Our results confirm that small and large firms value the benefits and risks associated with coopetitors differently. Small firms are less reluctant to create alliances with competitors than large firms, especially if it allows them to reduce their costs and learn from their competitor. Large firms are ready to coopete to reduce their time-to-market and their costs.

Collaboration, Coordination, and Cooperation  
Between Organizations: From a Review of Definitions  
Toward an Integrative Typology

Nuno Oliveira, *Tilburg University*  
Xavier Castaner, *University of Lausanne*

The concepts of collaboration, coordination and cooperation lie at the core of theory on interaction between organizations. Through a literature review (1986-2016), we show scarce dialogue between research strands alongside the lack of and confusion about conceptual definitions. We argue this is detrimental to take stock of past research (i.e., validity, cumulativeness, and theory building) and to address the prevalent challenges faced by today’s organizations. We propose a redefinition of these three concepts with an eye to address today’s organizing challenges between organizations (i.e., fuzzy boundaries, disperse authority, and ill-structured and complex problems) illustrated in ecosystems and platforms.

Opportunism in Coopetition: The Role of Market Commonality

Tadhg Ryan Charleton, *University of Otago*  
Robert Galavan, *National University of Ireland*

Interest in coopetition (cooperation among competitors) continues to rise, leading to intriguing opportunities. Yet the potential for opportunism in coopetition (cheating, stealing, evading obligations) is a source of widespread confusion, with literature dominated by unchallenged assumptions and conflicting findings. We address this core challenge by illustrating how opportunism depends on the level of market commonality between coopetition partners. Illuminating a nonlinear U-shaped relationship between market commonality and opportunism, we demonstrate that, up to a point, market commonality may deter opportunism in coopetition by increasing the scope for retaliation. This is supported by data from R&D alliances in the global semiconductor industry. By challenging dominant assumptions and clarifying widespread confusion regarding opportunism in coopetition, our research can enhance scholarly and managerial understanding regarding this important phenomenon.

## Misconceptions about Cooperation and Escalation of Conflicts in Inter-Firm Relationships

Anna Minà, *Kore University of Enna*

Christian Lechner, *Free University of Bozen-Bolzano*

This research deals with rising conflicts in multiplex inter-firm relationships between two partners. We want to investigate to what extent and under which conditions the perceived fairness of the rival partner's actions leads to the escalation of competition, the deterioration of the inter-firm relationships and sanctioning of the rival's behavior?

Based on five historical, longitudinal case studies in the mobile phone industry (Apple-Samsung, Apple-Google, Apple-Adobe, Google-Samsung, Huawei-Samsung), we develop a theoretical model in which misconceptions about the cooperative orientation of the partner firm create potential for conflicts in the inter-firm relationship because the standards of fairness between the partner firms differ. In addition, we show how adjustments of the perception about the cooperative orientation inherent in the inter-firm relationships drive dynamically a more competitive behavior.

## ★ Kindred Spirits: The Influence of Cognitive Frame Similarity on Contingency Planning in Strategic Alliances

Marvin Hanisch, *University of Passau*

Carolyn Haeussler, *University of Passau*

Andreas Koenig, *University of Passau*

Theresa Cho, *Seoul National University*

In strategic alliance contracts, partners frequently rely on the prospect of good faith negotiations to deal with contingencies. We argue that partners are more likely to use good faith when their respective cognitive frames are more similar, leading the partners to expect that their interpretations of future contingencies will correspond, which ultimately decreases the perceived benefits of explicit contingency planning. Additionally, we argue that the relationship between frame similarity and the partners' use of good faith is weakened by contracting experience. We test our framework, leveraging manual and computer-assisted content analysis, on a unique dataset of 706 alliance contracts and 1,412 organizational mission statements from the bio-pharmaceutical industry. Our results support our theory, highlighting the importance of cognitive frames in inter-organizational relationships.

## Contracting Within Firms: Opening the Black Box of Internalized Transactions

Catherine Magelssen, *London Business School*

Beverly Rich, *University of Southern California*

Kyle J. Mayer, *University of Southern California*

A fundamental assumption in organizational economics is that incompleteness of contracts will lead transactions to be organized within firms rather than in markets. Yet, there is growing evidence that firms extensively rely on formal contracts to govern transactions within the firm. This paper discusses why firms use intra-firm contracts and develops a set of propositions for when they arise. We argue that internalization does not eliminate transactional problems and many of the features that make contracts valuable tools for market exchange are beneficial within firms. It is often inefficient and undesirable to rely on fiat to resolve internal disputes. We propose that formal contracts are used to alleviate potential problems between internally transacting units and coordinate firm activities.

## SESSION 999

### POLITICS IN THE EXECUTIVE SUITE

#### TRACK O

Date Monday, Sep 24

Time 15:30 – 16:45

#### Paper

Room Scene A

Session Chair: Adam Wowak, *University of Notre Dame*

## The Politics of Corporate Governance: How Board Chairs' Political Ideologies Influence Governance Orientations

Matias Kalm, *Arizona State University*

Ryan Krause, *Texas Christian University*

Abhinav Gupta, *University of Washington*

Matthew Semadeni, *Arizona State University*

Research has shown that board chairs' governance orientations affect firm performance. Yet the question of how board chairs' come to acquire specific governance orientations has largely remained unexplored. By integrating research on behavioral governance and political psychology, we propose that board chairs will gravitate toward different governance orientations based in part on their political ideologies (on liberalism-conservatism continuum). Specifically, we posit that conservative-leaning chairs, relative to their liberal-leaning counterparts, are significantly more likely to adopt a collaboration orientation toward their CEOs and less likely to adopt a control orientation. Our preliminary analyses using a sample of S&P 500 firms lend support to our predictions. Our theory and findings contribute to literatures on behavioral corporate governance and emergent research on ideological foundations of executive decision-making.

## The Influence of Politician Directors on Regulatory Penalties in the Aftermath of Executive Malfeasance

Curtis Wesley, *University of Houston*

Scott Kuban, *Tulane University*

Michael Nalick, *University of Memphis*

Using resource dependence theory, we build a case that boards with a former politician as director have access to additional political resources unavailable to boards without such a director. We then test the value of such resources in the context of regulatory scrutiny following executive malfeasance. This study reveals that beyond ridding the firm of "bad apples" after the fact, directors use their human capital to help the firm during a crisis. We also find board composition dictates the strategic human capital resources available to the firm and the effectiveness of these resources is context specific.

## Leaning Towards or Against? Examining Board Political Ideology and the Appointment of Female Directors

Jordan McSweeney, *Auburn University*

Kevin McSweeney, *Texas A&M University*

Abbie Oliver, *University of Georgia*

Uisung David Park, *University of Washington*

Board diversity brings a variety of organizational benefits. As such, scholars have examined organizational, individual, and behavioral drivers of female board representation. However, little attention has been paid to the influence of board values on the decision to appointment a female to the board. In response, we focus on the political ideology of the board in terms of political conservatism vs. liberalism as an indicator of board values. We hypothesize that more liberal leaning boards will be more likely to appoint a female. Using data from S&P 1500 firms, we find support for our theorizing. Further, these results are robust to the inclusion of previously studied drivers of female representation. We aim to spur further research at the nexus of board diversity and political ideology.



## Man Up: The Influence of Board Political Ideology on the Selection of Masculine CEOs

Krishnan Nair, *Erasmus University Rotterdam*

Abhinav Gupta, *University of Washington*

Adam Wowak, *University of Notre Dame*

Despite an abundance of studies examining CEO turnover, the strategic leadership literature has yielded surprisingly little insight into one of the most central puzzles surrounding the CEO selection process: Why do CEOs look the way they do? We address this question by examining how directors' political ideologies manifest in boards' selections of masculine male CEO candidates. Integrating research on corporate governance, implicit leadership theory, evolutionary psychology, and political psychology, we theorize that conservative and liberal boards differ in their relative sensitivities to threat, which will in turn influence their preference for CEO masculinity. We also explore boundary conditions that characterize this focal relationship. We test our theory on a sample of 528 CEO succession events at S&P 1500 firms from 2007 to 2013.

### SESSION 1008

## ORGANIZATIONAL CHANGE AND ADAPTATION

<b>TRACK O</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	15:30 – 16:45
<b>Common Ground</b>	<b>Room</b>	Studio B

**Session Facilitator:** Robert Wiseman, *Michigan State University*

## The Adaptive Consequences of Korean Business Groups' Different Responses to the 1997 Asian Financial Crisis

Seung Hoon Lee, *University of Illinois at Urbana-Champaign*

Neo-institutional theory suggests adaptive forms of organizations maintain conformity to new cultural norms during institutional changes. In contrast, old-institutional theory suggests adaptive organizations maintain consistency throughout their own histories. Taking together the two theoretical lenses thus provides a comprehensive view of the problem of organizational adaptation and enables a better understanding of divergent evolutionary trajectories of economic organizations often triggered by their different responses to institutional change. The paper first specifies four types of responses to institutional changes by drawing from two strands of institutional theory. The paper further develops theory by examining the adaptive consequences of the four responses through a comparative case study of Korean business groups' adoption of new market-oriented ownership structures and human resource practices following the 1997 Asian Financial Crisis.

## The New Inner Circle: Diffusion of CSR Practices through Female Director Interlocks

Andrew Ward, *Lehigh University*

Corinne Post, *Lehigh University*

Despite a considerable body of work on the influence of board interlocks in the diffusion of corporate practices between firms via director networks, no research to date has examined the distinct impact of female interlocks – that is, where a female director sits on the boards of two or more companies simultaneously. We contend that practices that match the values of female directors – e.g., CSR practices – diffuse more rapidly between firms through female (compared to male) interlocks and put forth several conditions that further moderate the rate of adoption of CSR practices via female interlocks. We test our hypotheses about the comparative rate of the diffusion of CSR practices using event-history models with the population of S&P500 firms from 2012-2017.

## The Long and Short of it: Stakeholder Conflict in Organizational Decline

Hermann Ndofo, *Indiana University*

Christina Carnes, *University of Nebraska, Lincoln*

David Sirmon, *University of Washington*

Cheryl Trahms Chapman, *Minnesota State University, Mankato*

A significant amount of research has investigated the actions firms suffering from decline can initiate to turnaround their performance, but scant research has examined how the interaction between relevant stakeholders drive these actions. During times of decline, firms have dwindling resources and stakeholders are sensitized to protect their competing interests. In this study, we argue and find that while dedicated institutional investors were more likely to favor the status quo, when there was short interest in the firm, dedicated investors pushed for more competitive actions, CEO succession, and TMT turnover. Further, we are suggesting that it is not just what firms do, but who influences those actions that impacts the chance of firm turnaround.

## Firm Ownership Change in Response to CEO Turnover: Evidence From China

Shuping Li, *Hong Kong Polytechnic University*

Michael A. Hitt, *Texas A&M University*

Corporate governance literature traditionally focuses on the consequences of a static ownership structure, while neglecting the changes that occur in ownership structure and the antecedents of those changes. This study investigates public firms' ownership change in response to their CEO turnovers. We argue that CEO turnovers increase the uncertainties about a firm's value, future strategies and CEO ability, which induces shareholders to restructure their shares. We identify four contingencies related to a firm's information environment that can moderate the relationship between CEO turnovers and ownership changes: abruptness of CEO turnover, internal succession, outsider ownership, and listings on multiple stock exchanges. We test our theoretical model based on 2,128 matched Chinese public firms from 2000 to 2014 and find support for most of the predictions.

## Executive Departure and Firm Discontinuous Strategic Renewal: The Asymmetric Effects of Team- and Firm-Specific Experiences

Pao-Lien Chen, *National Tsing Hua University*

Jinyu He, *Hong Kong University of Science and Technology*

We examine how executive departure affects firms' strategic renewal for adapting to disruptive technology. We propose that the effect would depend on and differ between the team- and firm-specific experiences of departing managers. In addition, because of their prior experience, de alio firms are better equipped to handle the challenges the disruption from executive departure and technological discontinuities than de novo firms do. We find support for our hypotheses using firms that entered the U.S. wireless telecommunications service industry and faced the transition challenge from analog to digital technology between 1991 and 1998.

## International Investment Regulations and Strategic Change

Jörg Zimmermann, *University of Surrey*

While academic scholars have generally accepted the idea of a rational choice approach when elaborating the impact of international investment regulations for sustainable foreign investment activities, are the empirical results rather mixed. This raises the question of how investment treaties affect investors' decision-making efforts in host locations. The present study wants to contribute to this discussion by incorporating a behavioural dimension. More specifically, a cognitive comparative approach is applied in order to examine decision-makers' cognitive context when experiencing a parallel legal structure of national and international investment regulations. Incorporating such a cognitive dimension will allow for a better understanding of when legal structure causes a cognitive bias and why international investment regulations prevent necessary strategic adjustments.



## SESSION 1081

**EXPLORATION, EXPLOITATION, AND AMBIDEXTERITY**

<b>TRACK P</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	15:30 – 16:45
<b>Common Ground</b>	<b>Room</b>	Studio E

**Session Facilitator:** Haibin Yang, *City University of Hong Kong*

**To Explore or Exploit? The Effects of Winning Awards on Sell-Side Equity Research**

Liyue Yan, *University of Maryland*

Awards have been studied in many different settings. However, only a few studies have looked for evidence of post-award behavioral changes, even though they may have consequences on individual and organization performance. This study attempts to provide empirical evidence on this question by examining how awards affect sell-side equity analysts' research focus and productivity.

**The Boiled Frog in Organizational Learning: Sensing Continuous Versus Discontinuous Radical Change**

Thorsten Wahle, *University of Lugano*

Zur Shapira, *New York University*

Radical change in a firm's environment is often viewed as discontinuous. We introduce the concept continuous radical change by which all old beliefs are rendered invalid but which happen incrementally. We theorize that incremental radical change can be more harmful than discontinuous radical change as it remains undetected for too long by incumbent firms. We demonstrate this mechanism in a simulation experiment of experiential learning. We then test the simulation results using data from New York restaurants. We use a hazard model to test for differences in survival chances of restaurants located in areas of slow but radical gentrification versus fast changing and radical gentrification. While the simulation experiments confirm the threat of continuous radical change, the empirical analysis is not yet concluded.

**Political Skill and Managerial Ambidexterity: The Pivotal Role of Goal Orientation**

Ruifang Wang, *Maynooth University*

Patrick Gibbons, *University College Dublin*

While some scholars have recently begun to explain the nature and antecedents of managers' ambidextrous behavior, further questions of how and when managers accommodate and reconcile the behavioral demands of exploitation and exploration have not yet been addressed. This paper develops a novel explanation that addresses both the ability and motivation of middle managers to engage in ambidexterity. Drawing from political skill theory, we investigate the effect of middle managers' political skill on their ambidextrous behaviors. We then apply goal orientation theory to examine the moderating influences of both managers' learning and performance goal orientations. Using a two-wave survey of 181 middle managers, we find broad support for our hypotheses. We trace implications for theory, future research, and management practice.

**Cautious Steps or Big Leaps? Intentional Organizational Learning Through Innovation Launches**

Valerie Machoba, *Frankfurt School of Finance and Management*

John Joseph, *University of California, Irvine*

Ronald Klingebiel, *Frankfurt School of Finance & Management*

We examine the choice between sequential rollout of new innovations which allows for learning over time and simultaneous rollout, which forgoes this benefit. We argue that firms are more likely to sequence the rollout of more novel innovations to reduce uncertainty through cross-market learning. We find that launches are less sequential when history sensitizes firms to the possibility of errors of omission and competitive preemption. We also find that firms choose markets with greater new-feature competition and consumer discernment when they seek to learn through sequential market launches. This suggests deliberation in seeking out challenging test environments that can generate informative feedback and reliable signals of potential global success. Our paper thus contributes to the understanding of organizational learning and firms' decision-making behavior under uncertainty.

**Impact of Delays and Noise on the Emergence of Strategies**

Hazhir Rahmandad, *MIT*

Shayne Gary, *University of New South Wales*

In an experiment using a realistic simulation of a service firm we investigate how two common features of organizational environments—delays between actions and outcomes and noise in outcomes—impact managerial learning and strategy adoption. When multiple viable strategies exist, longer delays bias decision makers towards alternatives with rapid returns and away from the global optimum. This bias undermines long run performance and also reduces heterogeneity among firms, as most decision makers converge to the inefficient strategy. Also, when delays are short, noise biases outcomes toward the inefficient region because learning is more difficult. However, when delays are long, noise is beneficial because decision makers spend more time evaluating their strategy; noise inadvertently facilitates learning about the longer-term benefits of the profit maximizing strategy.

**Entrepreneurs are Different: Cognitive Distinctions in Exploration-Exploitation**

Sheen S Levine, *University of Texas at Dallas*

Charlotte Reypens, *University of Texas at Dallas*

The pursuit of opportunities is the stuff of entrepreneurship. But do entrepreneurs excel in searching for opportunities? This remains contentious, theoretically and empirically. To untangle the effects of personal traits versus fortuitous situations, we design an economic experiment that investigates exploration-exploitation decisions, with feedback, over time. Studying prospective entrepreneurs and non-entrepreneurs, we document whether and how they recognize, evaluate, and exploit opportunities. We find that entrepreneurs do not differ in their search for opportunities, but in their responses to what transpires during the search: When performance trails aspirations, entrepreneurs engage in more expansive search than non-entrepreneurs. When accumulating slack, many curtail exploration, but entrepreneurs are less likely to do so. The results add to the debate on entrepreneurs and entrepreneurial opportunities.

16:45 – 17:15

**COFFEE BREAK & SRF PRESENTATIONS**



## SESSION 1015

**IDENTIFYING NON-MARKET MECHANISMS THROUGH (QUASI-)EXPERIMENTS**

<b>TRACK A</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	17:15 – 18:30
<b>Paper</b>	<b>Room</b>	Studio F

**Session Chair:** Stanislav Markus, *University of South Carolina*

**Populism and Political Strategy in Emerging Markets: The Case of Ukraine**

Stanislav Markus, *University of South Carolina*

Which non-market strategies are most effective at maximizing corporate value for domestic business actors in emerging markets? This paper uses the case of Ukraine to examine the relative effectiveness of political strategies based on an original large-N dataset of individual Ukrainian tycoons, specifying the political and economic activities of 177 oligarchs between 2006 and 2012. The analysis tests party funding, media ownership, and office-holding strategies against each other in the same institutional context of a populist democracy lacking the rule of law. I find that office-holding strategies are ineffective. Instead, party support and media ownership significantly enhance business wealth. Quantitative analysis is supplemented with rich qualitative data. Theoretically, the paper outlines the evolution and key principles of non-market strategy by native firms in emerging democracies.

**Smoke and Mirrors: Institutional Change, Leader Iconicity, and Stakeholder Perceptions of Authenticity for Cuban Cigars**

Cameron Verhaal, *Georgia State University*

Oliver Hahl, *Carnegie Mellon University*

Kevin Fandl, *Temple University*

Why do consumers place value on products that become imbued with the symbolic character of the country they were produced? We suggest that products are affected by the symbolic resonance of iconic national leaders, and when leaders change, the perception of quality for those products will diminish. To test our predictions, we turn to the U.S. market for Cuban cigars. We analyze the transition of power of Fidel Castro to his brother Raul in 2006, to test how the perceived authenticity and quality of Cuban cigars are impacted by these institutional changes. Utilizing a mixed-method specification (analysis of online cigar reviews and lab experiments), we find that the transition of power led to decreases in perceptions of quality and authenticity for Cuban cigars.

**Political Context, Social Movements, and Uber's Challenges in Different Markets**

Sinziana Dorobantu, *New York University*

Entrepreneurs that introduce new products and services face strong resistance from the incumbents whose resources and market positions are threatened. In regulated industries, where products and prices are largely set by the government, incumbents resort to institutional strategies (lobbying and legal action) and extra-institutional strategies (social protest and violence) to prevent or delay new entries. I argue that the mix of the incumbents' non-market strategies is to a large extent a function of the broader institutional context which determines the availability and perceived efficacy of different options. I examine the relationship between formal political institutions and the strategic choices of incumbents by examining the response to Uber's entry in over 65 countries around the world.

**★ "Now Serving Freedom Fries": The Effect of Stigma on the Political Behavior of Multinationals**

Rodrigo Bandeira de Mello, *Merrimack College*

Arnaldo Mauerberg Junior, *FGV-EAESP*

Julien Jourdan, *Paris-Dauphine University*

We exploit a natural experiment to test the causal effects of core stigma on the corporate political action (CPA) of foreign multinationals (MNE) in the United States. While existing research has shown the positive effects of building legitimacy, little is known about the effects on CPA when key political stakeholders assign a stigma to legitimate corporations. We develop and test hypotheses using the case of MNE whose home country governments opposed to the Iraq invasion in the United Nations Security Council in 2003. The main differences-in-differences estimations suggest that stigmatized MNE expand lobbying efforts in critical issues, internalize lobbying activities, and increase donation to the political party less likely to assign stigma.

## SESSION 970

**GOVERNANCE STRUCTURES AND FAMILY FIRMS IN INTERNATIONAL MARKETS**

<b>TRACK C</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	17:15 – 18:30
<b>Common Ground</b>	<b>Room</b>	Studio I+J

**Session Facilitator:** Laszlo Tihanyi, *Texas A&M University*

**The Effects of Ownership Complexity and Family Involvement on Shareholder Dissent in Strategic Decision-Making**

Maura Leusder, *Erasmus University Rotterdam*

Johannes Van Oosterhout, *Erasmus University Rotterdam*

Abe De Jong, *Erasmus University Rotterdam*

For a sample of 199 German DAX-listed firms from 2008-2015, this multi-level study investigates how ownership complexity affects the costs of collective decision-making between shareholders in family and non-family firms. Operationalizing collective decision-making costs as shareholder voting dissent on strategic proposals by management, we find that shareholder dispersion and heterogeneity positively affect shareholder dissent, while family ownership and involvement in management decrease dissent. In line with our prediction that ownership complexity increases collective decision-making costs, we find that shareholder dissent increases in later generation family firms, but is reduced by the presence of a family office, which later generation family firms often adopt to remedy the increasing dispersion and heterogeneity of family ownership over generations.

**Determinants and Returns of a Family Corporate Governance in the Italian Context**

Paola Taricco, *Bocconi University*

This paper studies the determinants of Italian family firms' corporate governance structures recurring to a scenario-based approach, and the returns to a family corporate governance using instrumental variables. Education and socio-emotional attachment play a key role in influencing the decision to maintain a family corporate governance. Specifically, I find that education influences positively the involvement of non-family parties. On the contrary, socio-emotional attachment significantly reduces it. There is also evidence that, once controlled for education and socio-emotional attachment, a family ownership achieves greater financial returns compared to a non-family structure, whereas a non-family board of directors is a booster for growth.

## The Cognitive-Cultural Embeddedness of Family Firms: Implications for Prevalence, Strategy, and Performance

Marc van Essen, *University of South Carolina*  
 Patricio Duran, *Adolfo Ibañez University*  
 Tatiana Kostova, *University of South Carolina*  
 Luis Gomez-Mejia, *Arizona State University*  
 Pursey Heugens, *Erasmus University Rotterdam*  
 Pascual Berrone, *IESE Business School*

Family-controlled firms are dominant actors in nearly every national economy, but their prevalence, enacted strategies, and financial performance differ markedly across countries. We explain these differences through a new construct, the cognitive-cultural embeddedness of family firms, which captures the constitutive legitimacy of family control in the eyes of a country's general population. We measure CEF for 83 countries with a newly developed index. Using a combination of meta-analytic and archival data, we show that in strong CEF countries FCFs are more prevalent, are more likely to follow strategies that differ from those of non-FCFs and finally, tend to exhibit better financial performance than non-FCFs. Identifying CEF as a contingency variable advances the family business, institution-based view, and strategic balance literatures by reconciling prior inconclusive findings.

## Reconceptualizing Organizational Governance: Evidence from Cryptocurrencies as Blockchain-based Decentralized Autonomous Organizations

Ying-Ying Hsieh, *Imperial College London*

The emergence of self-governed decentralized autonomous organizations (DAOs) enabled by blockchain technology upsets the traditional principal-agent governance structure. New classes of stakeholders emerge as influential actors. As such, DAOs call for a deeper understanding of the governance mechanisms and their performance implications. I focus on the context of cryptocurrencies—the most mature and established DAO implementations to date, as the empirical context. Taking an inductive empirical theory building approach, I combine qualitative interviews with panel data analysis on 30 cryptocurrencies to shed light on how DAOs are governed in a decentralized and automated manner and how varying governance structures influence organizational performance. By comparing the empirical findings with what the traditional theories, this study contributes to broadening the governance literature with the new form.

## Restructuring and Performance at European Companies: The Effect of Corporate Governance and Business Cycle

Angelica Sanchez, *UEES*  
 Francisco Javier Forcadell, *King Juan Carlos University*  
 Desiderio Romero-Jordán, *King Juan Carlos University*  
 Luis Angel Guerras-Martin, *King Juan Carlos University*

This study analyses the effect of corporate governance and business cycle on the relationship between Business Portfolio Restructuring (BPR) strategy and corporate performance. A sample of European firms for the period 2000-2011 has been examined. It is found that BPR has generally a positive influence on firm performance within the European context. However, in continental European countries, characterized by a network-orientated corporate governance system, a contractionary economic phase of the business cycle moderates negatively the relationship BPR-performance. Conversely, in Anglo-Saxon countries characterized by a market-orientated corporate governance system, an economic recession does not affect the BPR-performance relationship. A few causes are explored stemming from the concept of organizational slack on the relative degrees of efficiency of their corporate markets.

## The Impact of Different Governance Structures on the Occurrence of Primary and Secondary Agency Conflicts

Saptarshi Purkayastha, *Indian Institute of Management Calcutta*  
 Rajaram Veliyath, *Kennesaw State University*

The study examined the interplay of two governance dimensions, dominant ownership and management control, that result in differential impacts of the two types of agency conflicts (primary and secondary agency). These different governance dimensions can also facilitate or hinder stewardship behaviors. Dominant family ownership reduced the negative impacts of primary agency conflicts. But, if the dominant family also had executive control, the negative impacts of secondary agency conflicts were evident. However, these negative effects disappeared when the family controlled firms were managed by non-family managers. Thus the optimal governance context for minimizing the undesirable impacts of both types of agency conflicts and is conducive to encouraging stewardship behaviors is one where dominant (viz., family) ownership is accompanied by non-family management.

### SESSION 966

## EXPLORING NEW THEORIES AND UNUSUAL EMPIRICAL SETTINGS

TRACK D	Date	Monday, Sep 24
	Time	17:15 – 18:30
Common Ground	Room	Studio E

Session Facilitator: Blanche Segrestin, *MINES ParisTech*

## Can the Uppsala Internationalization Model Work in the Context of Social Enterprise?

Klavdia Evans, *St. Mary's University*  
 Veronika Ermilina, *Old Dominion University*  
 Ashley Salaiz, *University of Houston*

This conceptual piece enhances our understanding of how social enterprise undergoes international expansion. Particularly, we challenge the applicability of the Uppsala Internalization Model to the context of social enterprise. Our propositions, which are grounded in the literature on embeddedness and entrepreneurship, argue that in contrast with commercial firms, social enterprises can internationalize at a faster rate and to destinations which are more psychically distant.

## CEOs' Religiosity and Corporate Environmental Proactivity

Hakaru Iguchi, *Waseda University*  
 Junichi Yamanoi, *Waseda University*

Previous studies of corporate environmental proactivity have limited insight into their micro-foundations, which are individuals and their interactions within a firm. From an upper-echelon perspective, we argue that CEOs with religious beliefs are more likely to engage in corporate environmental proactivity because they hold higher religious role expectations that they are monitored to fulfill. We examine a sample of 1,184 small and medium-sized manufacturers in the Tokyo metropolitan area in Japan. Using latent class modeling, we classify respondent CEOs' religious belief systems into eight classes and find that a CEO with religiosity is more likely to engage in corporate environmental proactivity. In addition, the positive impact of CEOs' religiosity on the firm's environmental proactivity is weaker when the CEO uses a more participative decision-making process.



## How “Developmental” are Development Banks? Multilateral-development Banks as Intermediaries in Electricity Generation Projects in India

Himanshu Bhatt, *ESSEC Business School*

Srividya Jandhyala, *ESSEC Business School*

We ask how we can build resilient and inclusive infrastructure, especially in the context of developing countries. Since private sector participation in infrastructure projects is fraught with political and operational risks, intermediaries such as multilateral development banks can play an important role in facilitating private investment. Our expected findings suggest that the developmental mandate of multilateral development banks prompts them to support infrastructure projects that are socially valuable with public externalities. However, political factors also play a role in determining their lending practices. In testing our hypothesis, we propose to use logit regressions on a sample of 483 electricity generation projects in India between 1993 and 2017. Overall, the analysis contributes to our understanding of how infrastructure can be built in otherwise underserved areas.

## Understanding the Role of Reuse in Grand Challenges: The Case of Rare Diseases

Burcu Kucukkeles, *ETH Zurich*

Shiko M. Ben-Menahem, *ETH Zurich*

Using an in-depth case study of rare disease drug development, we explore mechanisms to tackle with a healthcare grand challenge. We argue that reuse of existing resources and knowledge around them can be a potentially beneficial approach to grand challenges. Our study shows that reuse practices can reduce costs of addressing problems of grand challenges and further facilitate activities. Furthermore, our findings show that a careful analysis of underlying disincentives behind a grand challenge is a necessary condition for its alleviation.

## Problematic Developing Markets or Leading Indicators? Corporate Social Lessons From Long Disenfranchised Populations

Michelle Montague-Mfuni, *University of Memphis*

Frances Fabian, *University of Memphis*

Juanita Trusty, *California State University*

Recent resistance to globalization have raised considerable disaffection with MNCs in economies around the world, particularly novel to the developed world. MNCs moving into African economies have learned the necessity of changing their stance toward accommodating local cultural attitudes. Specifically, entry strategies must incorporate social policies that address local hostility toward foreign businesses due to their colonial heritage. Accordingly, MNCs recognize the need to tailor their initiatives to local contexts avoiding the impression of global integration standards that are perceived to reflect faraway or Western imperatives. Secondly, companies must gain credit for interventions, and thus social investments should reflect corporate social value (CSV) principles which allow firms to build corporate assets within the community and maintain some accountability for the sustainability of resources.

## Embracing Illegitimacy: Incumbent Strategic Response to FinTech

Tatjana Schneidmueller, *Erasmus University Rotterdam*

Henk Volberda, *Erasmus University Rotterdam*

We draw on the institutional logics perspective to bridge the literatures on firm response to technological discontinuities and organizational legitimacy, to study incumbent banks' response strategies to the evolution of fintech (financial technology), a competence destroying discontinuous change, posing a serious threat to the financial sector. We develop a conceptual model and hypothesize how and why incumbents respond to institutional logic shifts and adopt technological discontinuities (differently), based on their organizational legitimacy (e.g. regulatory, pragmatic, moral, and cultural-cognitive). We propose the use of a longitudinal panel of incumbent UK commercial banks for the period 2007-2017. With our findings, we seek to inform scholars and managers on the implications of the different dimension of organizational legitimacy on response strategies to discontinuous technologies.

### SESSION 991

## VALUE BASED STRATEGY

### TRACK E

**Date** Monday, Sep 24  
**Time** 17:15 – 18:30  
**Room** Auditorium

### Paper

**Session Chair:** Olivier Chatain, *HEC Paris*

## Customer Engagement Mechanisms: Strategies for Value Creation and Value Capture

Charles Baden-Fuller, *City, University of London*

Alessandro Giudici, *City, University of London*

Stefan Haeffliger, *City, University of London*

Mary Morgan, *London School of Economics*

Traditional strategy has given too little attention to the demand side view, in particular it has not paid sufficient attention to innovation at the customer-firm boundary. We draw on the literatures of marketing, strategy, and entrepreneurship to identify and theorize 4 important – mutually exclusive—theoretical types of customer-firm engagement mechanism that stimulate value innovation: dyadic product, dyadic solutions, triadic matchmaking, and triadic multi-sided. We give precise boundary conditions for an ordering of these types in their power to create consumer value and the consequential potential for profit; and we develop dimensions of demand side scale and scope, and place this contribution in the context of the literatures on platforms, network effects and diversification.

## Competition in Markets with Complements: How Within-Component Firm Heterogeneity in Value Creation Shapes Ecosystem Strategies

Elena Plaksenkova, *HEC Paris*

Olivier Chatain, *HEC Paris*

We study how heterogeneity in product performance in an ecosystem leads to different strategies with respect to complements that ultimately shape the ecosystem. Using individual-level data on the consumption of anti-HIV drug combinations we find that superior complements reinforce the position of superior products in a given component segment turning them into bottlenecks for which complements compete. This translates into differentiated R&D strategies as evidenced by clinical trials. The owner of a superior product develops exclusive complements to maximize value capture. The owner of an inferior product facing a dearth of complement supply also develops its own complements but keeps them open. Moreover, it also seeks to change industry architecture by attempting to make the bottleneck component unnecessary.

## To Create or to Capture: The Choice of Value-Based Strategies Under Competition and Uncertainty

Afonso Almeida Costa, *Nova School of Business and Economics*  
Peter Zemsky, *INSEAD*

While the value-based approach to strategy emphasizes the importance of value creation and value capture, formal research has focused largely on value creation. In contrast, empirical evidence demonstrates that substantial performance heterogeneity may arise from asymmetries in appropriation capabilities. We develop a biform game where competing firms choose between strategies that enhance either their creation or appropriation capabilities. Key elements of our model are competition across market segments, strategic uncertainty, and initial heterogeneity in appropriation. We show that value creation and appropriation are complements, leading firms to balance these objectives. While there are incentives for strategic imitation, we identify conditions for strategic heterogeneity, wherein one firm exploits its competitive advantage forgoing sustainability. We show that creation and appropriation strategies have fundamentally different natures and impacts.

## The Effects of Downstream Competition on Upstream Innovation and Licensing

Jean-Etienne de Bettignies, *Queen's University at Kingston*  
Bulat Gainullin, *Gulf Capital*  
Hua Fang Liu, *Queen's University at Kingston*  
David Robinson, *Duke University*

We consider an upstream innovator and two downstream competitors; and examine the impact of product market competition on the innovator's R&D strategy, when she can license her innovations to either one downstream competitor (targeted licensing) or both (market-wide licensing). We show that downstream competition unambiguously increases the appeal of targeted licensing over market-wide licensing. Moreover, competition increases the innovator's innovation incentives under targeted licensing, but decreases these incentives under market-wide licensing. Thus, a competition threshold may exist such that above (below) that threshold, targeted (market-wide) licensing is optimal and innovation is increasing (decreasing) in competition. Using U.S. data, we find empirical evidence that downstream competition has a U-shaped impact on upstream innovation. Data on licensing deals provides empirical support for the underlying role of the upstream innovators' licensing strategy.

### SESSION 1074

## SYNERGY AND M&A

<b>TRACK F</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	17:15 – 18:30
<b>Paper</b>	<b>Room</b>	Forum A

**Session Chair:** Exequiel Hernandez, *University of Pennsylvania*

## Synergy: Definition, Typology, and Dynamics

Emilie Feldman, *University of Pennsylvania*  
Exequiel Hernandez, *University of Pennsylvania*

We make three contributions to research on synergy in M&A. First, we revisit the definition of synergy and offer clear guidelines about when synergies exist and when they do not. Second, we develop a novel typology of five sources of synergy based on distinct rent-generation processes. Not only do we classify synergies that have long been considered in the literature (internal and market power), but also uncover three new types (relational, network, and legitimacy). Third, we introduce the concept of "synergy lifecycles" and explore the distinct temporal dimensions—initial realization, maintenance, and decay—of each of the five synergy types. These dynamics help explain the magnitude and duration of value that firms can obtain from mergers and acquisitions driven by heterogeneous synergy sources.

## The Interplay Between Synergy and Resource Redeployment: Diversification's Effects on Core Business Activity and Performance

Ayesha Malhotra, *University of Calgary*  
Oleksiy Osiyevskyy, *University of Calgary*

Contemporary research delves into the dynamics of diversification and resource allocation in multi-business firms. This paper examines the interdependent effects of synergy and resource redeployment on two measures of core business performance – competitive standing and financial performance. Empirically, we look at the U.S. commercial and investment banking convergence context, which involves significant relatedness and opportunity costs for commercial banking firms. Using a unique 24-year panel dataset on the largest 95 bank holding companies, we show that, initially, increased investment banking market share allows a bank to grow its commercial bank share and performance, through a mechanism of reverse synergy. Beyond a certain point, higher investment banking share results in performance declines in commercial banking, due to the dominance of resource redeployment over synergy.

## Aspirations of Peers –A Neglected Antecedent of Organizational Aspiration Level? Evidence from M&A Synergy Targets

Di Bian, *University of St. Gallen*  
Tomi Laamanen, *University of St. Gallen*

While organizational aspirations play an important role in the behavioral theory of the firm, we still have a rather limited understanding of what drives them. This paper introduces the aspiration level of peers to the formal model of the determinants of aspirations by Cyert and March (1963). Based on unique empirical dataset on synergy targets announced by acquirers in acquisition announcements, we examine the effect of the aspiration levels of peers on the choice of a focal firm's aspiration level. Our paper contributes to the behavioral theory of the firm by enhancing the extant understanding of the determinants of aspiration levels and by demonstrating that peer aspirations also play an important role in the formation of a firm's aspirations.

## Using M&A Contract as a Tool to Unpack the Deal-Making Process between Acquirers and Targets

Zhe Xing, *University of Southern California*

Prior research has mainly looked at the antecedents of M&A prior to the deal announcement and their impact on different outcomes, the important phase between partner selection and deal completion has attracted less attention. Our paper studies how acquirers and targets negotiate to protect their gains out of the deal by designing the risk allocation clauses in merger agreements, furthering our current understanding of the M&A process. Using a hand-collected dataset of M&A agreements in the IT industry, we try to explore how information asymmetry between acquirers and targets influence the use of risk-allocation clauses in the contract.





SESSION 1117

THE IMPACT OF HOME AND HOST COUNTRY INSTITUTIONS: CHALLENGES FOR GLOBAL STRATEGY

TRACK G	Date	Monday, Sep 24
	Time	17:15 – 18:30
Paper	Room	Forum B
Session Chair:	Birgitte Groggaard, <i>BI Norwegian Business School</i>	

Born Globals in Africa: Home Country Institutional Determinants and the Double-Edged Sword of Bribery

Katia Galdino, *Florida State University*  
Gonzalo Molina Sieiro, *Florida State University*  
Bruce Lamont, *Florida State University*  
Kimberly Ellis, *Florida Atlantic University*

Early internationalization is a phenomenon of increasing importance in business worldwide. Yet, research on born global firms has mostly focused on developed economies and high technology industries. Research on born global firms from developing countries and in conventional industries is quite rare and has emphasized individual-level determinants and host countries’ characteristics. We focus on the institutional environment of the home country and on firm legitimization efforts, reflected in their avoidance of bribery in their home country, to explain the determinants of born global firms in Africa.

Institutional Capability and International Performance of MNEs -- A Longitudinal Case Study

Qiyu Zhao, *Zhejiang University*

Try to answer how MNEs deal with their institutional environment in their internationalization process, we refine the concept of the institutional capability and its four dimensions, namely, institutional selecting capability, institutional penetrating capability, institutional balancing capability, institutional creating selecting capability, by applying a longitudinal explorative case study to Huawei. Through combining IBV (institution based view) and CBV (capability based view), we depict the whole evolving process of MNEs’ institutional capability, and capture the changing manifestation and function of its four dimensions at different stages of MNEs’ internationalization. These findings contribute to our knowledge of interactions between MNEs and their international performance and have important practical implications.

Relative Investment Policy Risk and Firm-Level Foreign Direct Investment

Weiqliang Tang, *University of South Australia*

Whereas conventional wisdom holds that MNEs invest less in host countries that pose greater policy risk to investment, the literature has been largely silent on relative investment policy risk (RIPR)—that is, a host country government’s subtle interference with and stealthy constraints on investment in comparison with the home government’s interference and constraints. Incorporating internalization logic and an institutional perspective, we propose, and find empirical support to, an inverted U-shaped relationship between RIPR and FDI amount. It suggests that MNEs invest the most in host countries that pose a slightly weaker policy risk than the home country does, and invest less in countries that are either riskier or far less risky than the home country. This curvilinear relationship to be moderated by business diversification of MNEs.

The Diverging Effects of Linguistic and Religious Diversities on MNEs’ FDI Location

Jean-Luc Arregle, *EMLYON Business School*  
Toyah Miller, *University of Texas at Dallas*  
Paul Beamish, *Western University*  
Michael A. Hitt, *Texas A&M University*

Language and religion diversities are important informal institutions that shape organizational actions and individual behaviors but the international business field has largely ignored their roles on FDI internationalization decisions. Using data on Japanese multinationals in 50 countries, we explore whether linguistic and religious diversities, at the host-country and region levels, influence the propensity of an MNE to internationalize into a country. We find that linguistic diversity discourages but that religious diversity attracts MNEs’ internationalization. However, these relationships for MNEs vary as they are strongly moderated by two MNE characteristics: size and general international experience.

SESSION 1120

THE IMPACT OF DIGITIZATION ON GLOBAL STRATEGY

TRACK G	Date	Monday, Sep 24
	Time	17:15 – 18:30
Paper	Room	Forum C
Session Chair:	Niccolo Pisani, <i>University of Amsterdam</i>	

Does Digitalization Drive Firms’ Internationalization?

Niccolo Pisani, *University of Amsterdam*  
Joan E Ricart, *IESE Business School*

There is general consensus that digitalization has contributed to major changes in today’s business environment; from being an opportunity for firms to enhance their efficiency, digitalization is now an enabler of significant innovation and disruption. We build on IB tenets on the liability of foreignness and multinationality encountered by firms when expanding abroad to argue that through the investment in digital technologies firms are likely to reduce some of the costs and liabilities that arise in the process of their internationalization. We suggest that a firm’s level of digitalization is positively related to its scale and scope of internationalization with a key contingency that we expect will strengthen this relationship a firm’s level of innovation. We tested these hypothesized relationship with data from Spanish firms.

Intra-Firm Global Sourcing and Technology Diversification in MNCs

Heather Berry, *George Washington University*

Although MNCs are in the best theoretical position to combine diverse technology that exists across their worldwide operations, extant research offers limited analysis how these firms successfully tap into diverse host country knowledge. In this paper, I explore how internal global sourcing activities help foreign operations to achieve a balance across strong parent influences and local host country knowledge opportunities, which not only increases the technology diversity of the MNC, but also enhances the prominence of the foreign operation. Empirical results confirm that the more foreign operations provide inputs and final products to parent and third country operations, the more likely these operations are to generate innovations that combine strong local technology domains within a host country market with existing MNC technology domains.

MONDAY 17:15 – 18:30



## The Internationalization of Platform Business Firms

Maximilian Stallkamp, *Virginia Tech*  
Andreas Schotter, *University of Western Ontario*

Firms operating so-called platform business models, which facilitate transactions between different groups of users, are rapidly gaining economic importance. A growing number of these platform-firms are expanding internationally. However, little is known about their international strategies. To address this gap, we integrate insights from platform research in strategy and economics—specifically the notion of network effects—with internalization theory. We extend the existing typology of network effects by distinguishing between within-country and cross-country network effects. This allows us to predict whether platform-firms' existing user networks represent location-bound or non-location-bound firm-specific advantages. We identify possible implications for the international expansion of platform-firms, their entry mode choices, their international strategic posture (multi-domestic vs globally-integrated), as well as their foreign market selection criteria.

## Should Exporters Sponsor Search Ranking on a Weakly Regulated Platform?

Ziliang Deng, *Renmin University of China*  
Zeyu Wang, *Chinese Academy of Social Sciences*

Electronic platforms based in some weakly regulated countries may provide sponsored search ranking to their users yet without explicitly disclosing the sponsorship information. Should firms sponsor search ranking at such platforms? With the lens of signaling theory and institutional theory, we explore the answer to this intriguing question in a context of cross-border e-commerce transaction platforms. We hypothesize that the deceptive signals have the strongest boosting effects on the seller performance; nonetheless the effect of organic signals (i.e. buyer reviews) lasts the longest. We also hypothesize the institutional distance aggravates the deceptive effects. GMM and Cox models based on large panel data of online exporters during 2007–2015 support the hypotheses.

SESSION 1059

## STRATEGIC DECISION-MAKING PROCESSES

TRACK H/P	Date	Monday, Sep 24
	Time	17:15 – 18:30
Paper	Room	Forum I+J

Session Chair: Rob Jansen, *Tilburg University*

## Taking Stock of Strategic Decision-Making: Constructs and Mechanisms

Rob Jansen, *Tilburg University*  
Annefleur Krijkamp, *Haute Equipe Partners in Public BV*  
Femke van Bakel, *Tilburg University*

This review will point out the richness of constructs and the richness of explanations present in the strategic decision-making (SDM) literature. This adds to recent narrative reviews in SDM a more elaborated view of what constructs are linked and why. In addition, the review will benefit researchers by incorporating traditional SDM research with more recent perspectives on SDM research, such as behavioral strategy and strategy-as-practice. Previous reviews focus on one perspective or devote little attention to multiple perspectives. Moreover, this review offers SDM researchers more steady ground under their feet when developing research about e.g. competing explanations for outcomes. For practitioners it offers insights on which aspects to actively monitor or consider during their SDM or the design of their decision architecture.

## Tactics for Successfully Implementing Strategic Decisions: A Moderated Mediation Model

Antonia Lampaki, *Athens University of Economics & Business*  
Ilias Kapoutsis, *Athens University of Economics & Business*  
Vassilis Papadakis, *Athens University of Economics & Business*

This multi-study investigation suggests a framework that helps implement strategic decisions successfully. The first analyzes data from 16 semi-structured interviews from top managers and proposes a conceptual model that integrates multiple streams of literature within the strategic management field. The second develops and validates a multi-dimensional measure to assess four implementation tactics (participation, persuasion, intervention, and edit). The third reports on multi-source data collected from 120 medium-and-large private firms of a major European country. Specifically, it tests the impact of these four implementation tactics on strategic implementation success. Moreover, it examines the mediating role of middle managers' consensus and the moderating roles of organizational politics and decision making consensus. We discuss these findings and suggest avenues for future research.

## Temporal Tensions: Balancing Short- and Long-term Objectives in Organizations

Maximilian Weis, *WU Vienna*  
Patricia Klarner, *WU Vienna*

Balancing short- and long-term objectives in organizations is a complex process. This paper critically synthesizes the existing literature on temporal tensions between short- and long-term objectives in firms. Our review summarizes antecedents and outcomes of these tensions. In addition, we summarize two approaches to address temporal tensions: simultaneous vs. sequential balancing. We propose three directions to develop a more comprehensive understanding of temporal tensions: (1) addressing them across organizational levels, (2) analyzing top management team configurations that allow one to balance different time horizons, and (3) putting forth an organization design perspective on temporal tensions.

## Beyond the Chicken and Egg: Strategy Formation Processes for Two-Sided Markets

Timothy Ott, *University of North Carolina at Chapel Hill*  
Robert Bremner, *Stanford University*  
Kathleen Eisenhardt, *Stanford University*

In entrepreneurial settings, creating a viable two-sided market requires that strategists navigate significant interdependence and ambiguity within and across multiple strategic domains. With an inductive case study of 8 two-sided market ventures, we develop a theoretical framework that describes how firms manage this challenge: by first setting the stage with low cost actions in each domain (supply, demand, product, and geography) and then stepping through domains sequentially to form a viable strategy. Firms scale within and across geographic regions only after forming a strategy that accounts for the structure of network effects and other critical interdependencies between domains. Further, we describe specific strategy formation sequences, the efficacy of which depends on product and market characteristics.



SESSION 1037

**ORGANIZATIONAL LEARNING IN THE INNOVATION AND COMMERCIALIZATION PROCESS**

TRACK I	Date	Monday, Sep 24
	Time	17:15 – 18:30
Common Ground	Room	Studio A

Session Facilitator: Pinar Ozcan, *University of Warwick*

**Learning Asymmetries in Buyer-Supplier Relations: Addressing the Effects of Vertical Knowledge Spillovers**

Mauricio Galli Geleilate, *University of Massachusetts, Lowell*  
Ronaldo Parente, *Florida International University*

This study addresses how knowledge spillovers that occur in vertical relationships can affect relationship strength. Drawing from a sample of buyer-supplier automotive dyads, we conjecture that learning asymmetries can ultimately reduce a supplier’s capacity to maintain its supply agreements with its buyer. We also notice that spilled knowledge can sometimes be reabsorbed, and this knowledge retrieval mechanism can reduce the negative effects of learning asymmetries on vertical relationships. These findings provide insights to the research streams on organizational learning and relational view, which have overlooked the potential negative consequences of intensive knowledge-sharing between buyers and suppliers.

**Copy to Innovate: The Impact of Social Norm on New Product Development in Emerging Markets**

Xiaowei Luo, *INSEAD*  
Yadong Luo, *University of Miami*  
Stephanie Wang, *Indiana University*

Research on corporate innovations has paid inadequate attention to the role of informal institutions such as social norms. This hinders our understanding especially of a prevalent form of innovation in emerging markets: innovation that is new to one’s own firm but not new to one’s industry. We develop a theory of how social norm regarding the appropriateness of imitation can influence such new product development. Given the critical importance of learning from external sources for this type of innovation, strong social norm supporting copying can enhance firms’ imitative new product development. Furthermore, the effect of the social norm is stronger in countries with weaker enforcement of formal intellectual property rules, and for firms with stronger motivation to comply with the norm.

**Harnessing the Wisdom of the Crowd in the Evaluation of Innovative Ideas**

Jingshu Du, *VU University Amsterdam*

An important and recurring theme in the innovation literature has been the generation and selection of innovative ideas. In this study, I focus on crowd-based evaluations of innovative ideas. First, I aim to explore which criterion, or a set of criteria, contribute to the popularity of an innovative idea in a crowd; Second, I test whether democratizing the decision-making power to the vast majority (e.g.: the crowd) is indeed a reliable strategy, when it comes to evaluate the potential of early-stage projects that are yet fuzzy and uncertain (e.g.: innovative ideas), and to what extent homophily and in-group favoritism play a role in such setting. Results confirm that despite its benefits, we should still use crowd-based evaluation with caution.

**Betting on Too Many Horses? How CVC Affects a Firm’s Knowledge Exploration and Commercialization**

Charlotte Jacobs, *Temple University*  
Charlotte Ren, *Temple University*

Corporate venture capital(CVC) helps established firms pay attention to and invest early on in emerging technological discontinuities that otherwise may have gone unnoticed. Although this early attention to novel, pioneering technologies helps overcome innovation inertia, the risks of too much exploration must be recognized. We question in this research if a corporate investor’s CVC investments influence its rate of invention commercialization. We expect that increased CVC activity results in an increase of exploratory R&D. Because many exploratory R&D projects eventually fail or get abandoned, a corporate investor’s rate of invention commercialization decreases with the number of CVC investments made by this investor. We test our hypotheses on a sample of 85 investing firms in three industries that engaged in CVC during the period of 1990-2016.

**Practice Variation During Organizational Change: Template and Problem-Oriented Adaptation Trajectories**

Jillian Chown, *Northwestern University*

As organizations spread innovative new practices across their internal units, adaptation may be required to overcome misfits between the practice and the adopters. Overcoming fit issues is important for successful transfers, yet we know relatively little about how organizations achieve this fit. In this paper, I present findings from an inductive, ethnographic study of how a hospital attempted to spread a new practice across five internal units. I develop a model of practice adaptation during mandated organizational change and highlight two important adaptation trajectories: template- and problem-oriented adaptation. I further find that which adaptation trajectory a unit follows depends on the structural fit between the practice and unit. This study answers calls to develop deeper understandings of the important role of adaptation during practice transfer.

**The Knowledge-Incentive Trade-off: Understanding the Relationship between Organizational Design and Innovation**

John Eklund, *University of Pennsylvania*

Greater organizational differentiation into more independent units facilitates the more effective use and alignment of incentives but comes at the cost of reduced intra-organizational knowledge flows. Managing this trade-off is especially important for firms’ innovation activities. To explore the boundary conditions of this trade-off, this study partitions the innovation process into the stages of invention and development. Within the context of the pharmaceutical industry, greater differentiation while yielding more inventions is associated with less original inventions, and fewer inventions progressing through the technically complex earlier development stages. In contrast, greater differentiation is associated with more inventions progressing through the later, less knowledge-intensive development stages. These results can help resolve the conflicting findings of prior studies examining the relationship between firms’ design choices and innovation outcomes.

## SESSION 900

**PURPOSE DRIVEN STRATEGIZING: COMPETING THROUGH SUSTAINABILITY ORIENTED VALUES**

<b>TRACK J</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	17:15 – 18:30
<b>Parallel Panel</b>	<b>Room</b>	Scene DEF

**Session Chairs**Timo Santalainen, *Aalto University*Thomas Wunder, *Neu-Ulm University of Applied Sciences***Panelists**Bettina Maisch, *Siemens Corporate Technology*Alex Meyer zum Felde, *Boston Consulting Group*Jean Stead, *East Tennessee State University*Geanne Van Arkel, *Interface EMEA*Camille Van Gestel, *WakaWaka*

Companies demonstrating that sustainability can be a driver of innovation and long term business success are putting special emphasis on values and purpose that go beyond only generating profits and shareholder value. Though, the notion of cooperation and collaboration toward sustainable development is being challenged by a new global context. The goal of this panel is to understand what role external drivers as well as values and purpose play for sustainability oriented strategizing and how this is impacted by today's changing environment. We will share new insights from empirical research and facilitate a discussion with three practitioners from standout companies when it comes to sustainability and innovation. We conclude by asking if the current strategic management paradigm is still appropriate for today's practice of management.

## SESSION 1086

**FOUNDER EFFECTS & ENTREPRENEURSHIP**

<b>TRACK K</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	17:15 – 18:30
<b>Paper</b>	<b>Room</b>	Forum E

**Session Chair:** Mark Packard, *University of Nevada, Reno***What is Entrepreneurial Judgment, Anyway?**Mark Packard, *University of Nevada, Reno*Per Bylund, *Oklahoma State University*

Judgment is central to entrepreneurship theory. So far, however, researchers have depicted judgment in terms of its antecedents (decision-making) or its outcomes (action). We have yet to unpack what judgment really is, what it is that occurs or changes within when judgment is made. Here we undertake this challenge. Building on phenomenology's concept of intentionality, we propose that judgment be defined and understood as the shifting of one's intentionality to new ends. It is a change in orientation by which one's actions are directed. Assigning this definition to entrepreneurship theory, then, we extend and offer clarity to the entrepreneurial judgment literature. Following recent suggestions, we propose that judgment is 'entrepreneurial' when intentions are shifted toward the pursuit of new economic value through resource reallocation.

**External Determinants of Entrepreneurship in the Registered Investment Advisory Industry**Alexander Berman, *Temple University*Ram Mudambi, *Temple University*

In this project we attempt to assess questions related to entrepreneurs' motivation and ability to initiate and sustain small business ventures. We specifically focus on evaluating the effect of external factors, such as global financial product innovation and changes in government policy. We hypothesize that such external factors can play important roles in leveling the playing field between established firms and new entrants. We propose to test this theory by conducting a study of the Registered Investment Advisory (RIA) industry, with a specific proposition that the 2007 repeal of the Merrill Lynch Rule, and the introduction and spreading of low-cost passive investment products have contributed to the growth and sustainability of small business ventures in the RIA industry.

**Gender and Entrepreneurship: A Meta-Analysis**Justin Webb, *University of North Carolina at Charlotte*David Woehr, *University of North Carolina at Charlotte*David Scheaf, *University of North Carolina at Charlotte*Andrew Loignon, *NEOMA Business School*

Women account for an increasing proportion of entrepreneurial activity in societies around the world. Coinciding this growth, scholars have undertaken significant research to understand how female and male entrepreneurs are similar and different, yet results of this research have been inconclusive. While literature reviews have sought to compile and organize the extant research on gender and entrepreneurship, there is surprisingly no systematic empirical analysis of this research. To address this gap, we have undertaken a meta-analysis to examine whether there are any systematic differences between female and male entrepreneurs in the categories of individual-level behaviors, skills, preferences, attitudes and beliefs, family and work-life balance, and venture outcomes.

**Job-education match and Immigrant Entrepreneurship: Theory and Evidence from Graduates in Science and Engineering**Martin Ganco, *University of Wisconsin-Madison*Joseph Raffiee, *University of Southern California*

We develop a theory-driven framework to explain immigrant entrepreneurship in the U.S. and the stylized fact that immigrant entrepreneurs frequently launch growth-oriented start-ups. We highlight a novel theoretical mechanism to explain this phenomenon – the career choice constraints imposed by the immigration system which force immigrants who graduate from U.S. institutions to work in jobs closely matched with their educational training. While extant research suggests "job-education match" will relate negatively to entrepreneurial transitions, our framework suggests that the constraints imposed by the immigration system may distort these patterns. Our empirical analysis yields support for the counter-intuitive result that, unlike domestic employees, educational match relates positively to entrepreneurial entry for immigrants. This effect is entirely driven by the founding of growth-oriented start-ups, not entry into self-employment.



## SESSION 1099

**INTERNATIONAL ENTREPRENEURSHIP**

<b>TRACK K</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	17:15 – 18:30
<b>Paper</b>	<b>Room</b>	Forum F

**Session Chair:** Kaitlyn DeGhetto, *University of Colorado, Colorado Springs*

**New Ventures Going Global: The Role of the Domestic Mindset**

Kaitlyn DeGhetto, *University of Colorado, Colorado Springs*

Michael Holmes, *Florida State University*

Lorenzo Lucianetti, *University of Chieti-Pescara*

Mehmet Kasapoglu, *istanbul University*

Despite the challenges associated with both new ventures and international expansion, some ventures choose to internationalize at or near founding. Although prior research has focused on global mindsets, or the cognition of MNC executives, we know little about how entrepreneurs' mindsets affect international strategies. Thus, this research extends the domestic mindset (i.e., one's mindset from a local frame of reference, prior to international expansion) literature by evaluating characteristics of entrepreneurs' mindsets that lead to early-stage internationalization. To test our theorizing, we surveyed 114 entrepreneurs across three countries. Our results indicate that, dependent on countries' risk profiles, cosmopolitanism and risk propensity are important characteristics of the domestic mindset that affect the likelihood of international expansion.

**Value Creation vs. Value Appropriation: Corruption and International Entrepreneurship**

Ahmad Al Asady, *Kent State University*

Kun Liu, *Kent State University*

In a panel study comprising of 4627 observations of international entrepreneurial ventures in 9 MENA region countries from 2013-2017, we utilize resource dependency theory to demonstrate that the international entrepreneurs' propensity to engage in corruption leads to value creation but not value appropriation in environment rampant with corruption. This relationship is moderated by the international entrepreneurs' venture sizes.

**Internationalization Speed of New Ventures: The Role of Interlocking Directorate Ties**

Orhun Guldiken, *Manhattan College*

Anil Nair, *Old Dominion University*

William Judge, *Old Dominion University*

The primary focus of international entrepreneurship research has examined the degree of internationalization of new ventures (INV). Nonetheless, the speed of international expansion of new ventures after they already expand abroad has received much less scholarly attention, despite the theoretical and managerial importance of this construct. This study uses organizational learning and board capital theories to investigate how the degree of internationalization of firms with which top managers and outside directors of international new ventures (INVs) have interlocking directorate ties affects the internationalization speed of INVs. Empirical results from the population of publicly-held U.S. INVs over the 2005-10 period indicate that interlocking directorate ties serve as an important but previously overlooked sources of knowledge about foreign markets during the internationalization process of INVs.

**How does Cross-border VC Investment Complement Domestic VC? : Specialization of Cross-border VCs in China**

Yujin Kim, *ShanghaiTech University*

This project studies how the investment style of cross-border VCs differs from that of local VCs and examines some factors leading to the difference in a developing market. Specifically, this paper documents how a fund provider's preference affects a funded VC's investment decision. Backed by a group of flexible capital providers that adequately reward risk-taking investment, a cross-border VC is specialized to fund startups in market-oriented, high-tech sectors and located in regions governed by relatively well-established market institutions. The findings suggest that cross-border VCs complement local VCs in a growing market by serving some fields relatively less focused by public efforts, providing implications to practitioners and policy makers.

## SESSION 976

**RELATIONAL FOUNDATIONS OF VALUE CREATION THROUGH HUMAN CAPITAL**

<b>TRACK L</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	17:15 – 18:30
<b>Paper</b>	<b>Room</b>	Forum G+H

**Session Chair:** Deepak Somaya, *University of Illinois at Urbana-Champaign*

**Stars and Constellations: Interaction between High-Caliber Experts and Internal Collaboration Networks on Firm Innovation**

Aurora Liu, *University of Massachusetts, Amherst*

How do high-caliber experts and internal collaboration networks contribute to general and breakthrough innovation of the firms? This study examines the interaction effects between star inventors and internal collaboration network of the firm on innovation performance. I distinguish general and breakthrough innovations and tease out how inventor network embeddedness moderates the main effects of star inventors on these two types of innovations conducted by the firm. To test the hypotheses, I use a panel data constructed from the longitudinal patent inventor records in the US from 1975 to 2010 combined with Compustat firm financial records. This study makes theoretical and empirical contributions to research on strategic human capital, innovation network, and firm innovation.

**Being There: Exploring the Interplay Between Physical and Social Space on Dyadic Collaboration Effectiveness**

Manuel Sosa, *INSEAD*

Massimo Maoret, *IESE Business School*

As office relocations, open-office layouts and free-seating arrangements are quickly becoming a common managerial practice aimed at improving the collaboration and degree of innovation inside firms, the strategic management literature has lagged behind in the understanding of the theoretical and practical implications of these practices. We study two office relocations to open-space, free-seating layouts to explore how the interplay of physical distance and social distance affects the effectiveness of collaborations. We show that changes in physical distance and social embeddedness have a significant impact on relational value, as they respectively negatively and positively affect relational effectiveness. The analysis also reveals that physical and social space partially show mutual exclusivity, as social embeddedness has a stronger impact on collaboration effectiveness when physical distance is also high.



## Employee Mobility Barriers and Inventor Collaborativeness in Firms

Eunkwang Seo, *University of Illinois at Urbana-Champaign*

Deepak Somaya, *University of Illinois at Urbana-Champaign*

Although robust internal collaboration may enhance innovation, it may also increase employee turnover and subsequent knowledge spillovers to competitors. In turn, we examine how employee mobility barriers may encourage internal collaborativeness in firms by reducing such hazards for the capture of value. Our difference-in-differences estimates show that collaboration in patented inventions of U.S. manufacturing firms significantly increased with the strengthening of two important legal mobility barriers. We also find that the impacts of mobility barriers on collaborativeness are greater for firms with broader knowledge bases and for technologies weakly protected by other appropriation mechanisms. The findings of this study contribute towards our understanding of the antecedents of inventor collaboration within firms, and the strategic tradeoffs between value creation and value capture in collaborative innovation.

## Socially Advantaged? How Social Affiliations Influence Access to Valuable Service Professional Transactions

Timothy Gubler, *University of California, Riverside*

Ryan Cooper, *University of Maryland*

This paper investigates how social affiliations between real estate listing agents and home sellers impact the types of transactions agents engage in and their subsequent career outcomes. We argue that increased trust and improved information flows allow service professionals to gain access to valuable transactions through social affiliations, which aids them in building reputation. Using a unique approach that pairs data from the Utah Multiple Listing Services with data on LDS church congregation boundaries in Utah, we find that affiliations provide agents access to more valuable homes which improves career performance. Strikingly, improved career performance results in reduced incidence of entrepreneurship. These results imply that social affiliations can lead to important competition benefits for professionals, which help them build reputation, although they reduce entrepreneurial activity.

### SESSION 1041

## IMPRESSION AND SYMBOLIC MANAGEMENT IN STAKEHOLDER RELATIONSHIPS

<b>TRACK M</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	17:15 – 18:30
<b>Paper</b>	<b>Room</b>	Scene G+H

**Session Chair:** Andreas Koenig, *University of Passau*

## Towards a Theory of Role-Consistent Strategic Public Language

Heribert De Oliveira Kuhn, *University of Passau*

Verena Komander, *University of Passau*

Lorenz Graf-Vlachy, *University of Passau*

Andreas Koenig, *University of Passau*

In this conceptual paper, we introduce and leverage two new concepts, executives' external roles and role-consistent communication. Specifically, we combine social role theory with research on capital markets and strategic public language. Research on capital market intermediaries suggests that they develop certain role expectations on top executives. Specifically, analysts expect the CEO to be the "charismatic visionary" while the CFO is expected to be the "corporate watchdog." We argue that securities analysts issue more favorable investment recommendations if (1) the respective CEOs' and CFOs' actions are consistent with analysts' stereotypical views of these executives' roles, and (2) if CEOs and CFOs communicate in a manner consistent with analysts' expectations of the relationship between the CEO's role and the CFO's role in an executive team.



## Symbolic and Substantive Actions in Stakeholder Strategy

Eric C. Mota, *Baylor University*

Dorothy Leidner, *Baylor University*

Juliana Sutanto, *Lancaster University*

Lazaros Goutas, *Loughborough University*

We analyze empirically the use of symbolic and substantive actions by firms operating under coopetition. Our framework suggests that firms are more likely to disguise their intentions using symbolic actions when the perceived residual claims are lower than expected investments, it is difficult for others to assess whether actions are symbolic or substantive, the contributions of each firm are not separable, and the legacy of benefits owned by a firm before engaging in the relationship is not proportionally paid off. From these boundary conditions, we identify four higher-order constructs comprising a contractual structure under coopetition: contractual benefits, information disclosure, measures of individual productivity, and pricing of past contributions.

## Sweet as Sugar? The Role of Cloaked Corporate Rhetoric in Impression Management

Ishva Minefee, *Iowa State University*

Sonali Shah, *University of Illinois at Urbana-Champaign*

External audiences (e.g., social activists, the media) often pressure firms to change controversial corporate practices. Extant research emphasizes firms' overt, or public, impression management strategies in response to these pressures. This study investigates firms' covert, or secret, funding of front groups in response to external audiences. Comparing the rhetoric of Coca-Cola and the Center for Consumer Freedom (CCF)—a front group that Coca-Cola covertly funded in response to anti-soda pressures between 2001 and 2005—offers insight into firms' hidden agendas to delegitimize external audiences while striving to maintain a positive image in society. This study contributes to a more complete understanding of firms' responses to external audiences by emphasizing the role of cloaked corporate rhetoric in firms' impression management.

## Path Dependence in Organizational Impression Management

Cole Short, *University of Georgia*

Michael Pfarrer, *University of Georgia*

Impression management affects how a firm maintains positive evaluator perceptions, an important dimension of firm survival and success. Scholarship to date has considered how a firm manages impressions before and after negative events, but these research streams have evolved mostly in isolation. Synthesizing arguments from anticipatory and reactive impression management, we unify these literatures and offer a novel theoretical framework that treats a firm's impression management strategies as a path-dependent process. We also extend this framework to consider how firms manage perceptions around positive events, an area of inquiry that lacks sufficient attention yet carries substantial importance. Together, these contributions illuminate how firm impression management decisions are more nuanced and more predictable than previous research has suggested.



## SESSION 942

**NETWORKS, BOUNDING, AND TRUST**

<b>TRACK N</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	17:15 – 18:30
<b>Common Ground</b>	<b>Room</b>	Studio G+H

**Session Facilitator:** Fabrice Lumineau, *Purdue University*

**Network Bounding: A Theory of the Formalization and Performance of Interorganizational Networks**

Dennie Kim, *University of Minnesota*

Aks Zaheer, *University of Minnesota*

John Hollingsworth, *University of Michigan*

This study develops a theory of “network bounding” which explains the formalization of interorganizational groups. Network bounding views group formalization as the establishment of a new, formal boundary within a broader system of informal network interactions, potentially altering the evolution of network ties among actors within and across this dividing line. Using this theory, we examine the effects of network bounding on the structure and collective performance of formal interorganizational groups. Additionally, we investigate whether non-members may be indirectly affected by this change in their social environment. Using medical claims data before and after the introduction of the Medicare Accountable Care Organizations—formal networks among US healthcare providers—we examine the effects of network bounding on patient mortality following cardiac surgery from 2008-2014.

**Network Trust and Trust in Supply Chain Collaboration**

Emily Choi, *University of Texas at Dallas*

Ozalp Ozer, *University of Texas at Dallas*

Y. Karen Zheng, *MIT*

Trust is critical for inter-organizational collaboration especially in a supply chain (e.g., information sharing between a retailer and manufacturer). In this context, collaboration happens at the level of organizations. While individuals who represent those organizations communicate with one another, their roles remain largely fixed due to the inert nature of organizations. Thus, trust at the individual level is targeted largely at the corresponding role and less targeted at the individual occupying that role. In such context how is trust transferred? To answer this question, we define and explore trust in the network of relationships (network trust) to understand trust behaviors when the target of trust is a role. We use multi-methods by surveying and observing executives making decisions in a forecast information sharing experiment.

**The Dynamics of Coevolution of Trust and Governance in Strategic Alliances**

Edoardo Mollona, *Bologna University*

Kerstin Neumann, *University of Innsbruck*

Prior literature points to the potential mutual influence of trust and governance during the process of a strategic alliance. We propose a system dynamics model grounded in the behavioral theory tradition to explore the continuous dynamics of alternative governance choices. In the model, the underlying relationship between governance and trust is non-linear. The optimal choice appears to be an overemphasis of formal governance, and reveals the importance of managers’ ability to shift between different behavioral reactions. This result is counterintuitive, but robust to different model specifications. It can also be interpreted as a call to more explicitly consider the role of deliberate adaptation choices by managers in the context of the complex dynamics between trust, control and performance outcomes of strategic alliances.

**Three Views of Performance Advantage: The Contingent Importance of Firm, Relational, and Network Capabilities**

Michael Leiblein, *Ohio State University*

Travis Whetsell, *Florida International University*

A fundamental question in strategic management concerns the sources of competitive heterogeneity. Prior work reports associations between performance and resources at the firm-, dyad-, and network-levels of analysis. However, disagreement about whether these theories distinct explanations for performance heterogeneity persists. This paper proposes that the relationship between firm-, relational-, and network-resources and performance is contingent on the level of product differentiation. Performance variance in the global semiconductor industry indicates that resource and network-level effects explain more performance variance than dyadic effects and that product differentiation moderates their influence on performance. Contrary to expectation, firm-level resource effects on performance increase in highly differentiated markets. Consistent with expectations, relational resource increase performance in undifferentiated markets. Finally, network resource effects on performances increase in highly differentiated markets.

**Performance Impact of Structural Holes, Status and Fragility Following Environmental Shocks**

Andrew Shipilov, *INSEAD*

Xiao Li, *York University*

Matthew Bothner, *ESMT Berlin*

While we know much about how networks shape organizational performance, we know less about the linkages between networks and performance in the aftermath of exogenous, industry-wide shocks. We propose to examine how the dot-com crash of 2000 affected investment banks’ ability to convert three facets of their positions in inter-firm networks—structural holes, status and fragility—into future performance. We propose that the post-crisis performance of banks rich in structural holes does not exceed that of banks in closed networks. Conversely, high-status banks lose their advantage relative to low-status banks, while banks in fragile network positions outperform their robustly positioned peers. External shocks can thus turn the tables—dethroning organizations in typically advantaged network positions, while also opening up new opportunities for their fragile counterparts.

**Interorganizational Endorsements and Firm Exploitation and Exploration: An Investigation of Venture Capital-Backed Start-Ups**

Jin Chen, *University of Nottingham-Ningbo, China*

Yanan Feng, *University of Nottingham*

Bin Hao, *East China University of Science and Technology*

While the existing studies have discussed vastly how prominent affiliates serve as the function of endorsements, little is known about how such endorsements affect start-up’s learning behavior. This study investigates how the endorsements by a high-status venture capital (VC) firm affect start-up’s exploitation and exploration behaviors. We argue that investment from a high-status VC leads to a social-cognitive process in which the start-up relies on interorganizational endorsements to make sense of their products or technologies, thereby strengthening its beliefs in exploiting the existing technologies and products instead of exploring new opportunities. We further argue that such effects are contingent on investment round because as the start-up proceeds through multiple investment rounds, its reliance on the endorsements of a high-status VC will reduce.

## SESSION 997

**GENDER IN THE UPPER ECHELON**

<b>TRACK O</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	17:15 – 18:30
<b>Paper</b>	<b>Room</b>	Studio D

**Session Chair:** Aaron Hill, *University of Florida*

**Analyzing How CEO Gender Affects the Relationship Between Compensation and Firm Risk-Taking**

Felice Klein, *Michigan State University*  
 Aaron Hill, *University of Florida*  
 Cynthia E Devers, *Texas A&M University*  
 Matthew Hinkel, *Michigan State University*

We develop theory about the moderating role of CEO gender in the widely documented compensation to risk-taking relationship. Significant research has studied the compensation practices likely to motivate CEO risk-taking; however, given the CEO position has been predominantly male-held historically, it is unclear whether the same practices motivate female CEOs. We argue that while stock options will relate positively to risk-taking for male CEOs, the relationship will be less positive for female CEOs. Further, while higher levels of cash-based pay and guaranteed severance pay have produced inconsistent relationships with risk-taking in predominantly male CEO samples, we theorize these compensation forms will relate positively to risk-taking for female CEOs. Based on S&P 500 and MidCap CEOs from 2007 to 2015, we find support for our arguments.

**Gender and the Agency Relationship Between Ownership and CEOs: The Effect on Internationalization Strategies**

Peggy Lee, *Arizona State University*  
 Robert Hoskisson, *Rice University*  
 Samuele Murtinu, *University of Groningen*  
 Vittoria Giada Scalera, *University of Amsterdam*

We study how the gender of owners and CEOs affects a firm's degree of internationalization. By integrating the gender literature and agency theory, we examine how gender homophily (i.e., male owner and male CEO; female owner and female CEO) may affect CEOs' risk-taking decisions, such as internationalization strategies. The gender literature shows that women are more risk-averse than their male counterparts. Additionally, agency theory suggests that managers tend to pursue less risky strategies than their owners desire. Integrating these literatures, we examine whether gender interactions between owners and managers influence internationalization strategies. Using an international firm-level dataset, we find that gender homophily is negatively related to internationalization and that the combination of a male CEO and female ownership leads to the greatest degree of internationalization.

**Balancing the Yin and Yang: TMT Gender Diversity, Psychological Safety and Firm Ambidexterity**

Shi Tang, *University of Cambridge*  
 Sucheta Nadkarni, *University of Cambridge*  
 Liqun Wei, *Hong Kong Baptist University*  
 Stephen Zhang, *University of Sydney*

We build on an interpersonal perspective rooted in the social role theory to theorize a moderated-mediation model of the effects of TMT gender diversity on firm ambidexterity. We highlight the key intervening mechanism TMT psychological safety and further specify firm performance as an important boundary condition. We test this model using multi-wave survey data of 387 TMT members from 122 high-tech Chinese SMEs. Our results show that TMT gender diversity positively affects firm ambidexterity via TMT psychological safety, and this mediated relationship is stronger when past firm performance is lower than higher. This study expands our understanding of the unique interpersonal function of gender balance in TMTs by specifying the precise theoretical mechanism underlying the effect TMT gender diversity on firm strategy.

**Does Divorce Increase Career Success of Female CEOs?**

Ipek Kocoglu, *Stevens Institute of Technology*  
 Murad Mithani, *Stevens Institute of Technology*

We propose that marriage acts as a micro social constraint for women that limits the potential for career success. Accordingly, marital dissolution in the form of divorce liberates them from cognitive and behavioral liabilities that is structured around familial obligations. We use this argument to examine enduring challenges experienced by women at the highest executive positions, i.e. as CEOs of S&P 1500 firms. Using a longitudinal sample of 98 female CEOs, we found that compared to CEOs that were married, divorced CEOs earned significantly higher compensation. The dissolution of expectations imposed by the self and marriage enabled divorced CEOs to achieve prolonged financial rewards after an initial backlash. Although a subsequent marriage strengthened this effect, having children from their first marriage diminished the divorce premium.

## SESSION 1110

**CORPORATE FRAUD AND MISCONDUCT**

<b>TRACK P/O</b>	<b>Date</b>	Monday, Sep 24
	<b>Time</b>	17:15 – 18:30
<b>Common Ground</b>	<b>Room</b>	Studio B

**Session Facilitator:** Miles Zachary, *Auburn University*

**The Strain of the Big Stage: Seeking to Understand Misconduct by College Athletes**

Matthew Josefy, *Indiana University*  
 Katalin Takacs Haynes, *University of Delaware*  
 Anastasiya Zavyalova, *Rice University*

Research on misconduct by members of organizations is presently of particular societal interest. While many past studies have focused on misconduct within an organization, this study develops hypotheses regarding misconduct resulting in a criminal citation. We draw on liminality and anomie theories to suggest that organizational members may be affected by their own past exposure to income inequality but also be affected by compensation of the organization's leaders. We test our hypotheses by building a unique dataset of 14,598 player-level observations, examining 636 arrests of NCAA Division I football players. Our preliminary results suggest the hypotheses are supported and provide the opportunity for future research considering the effects of other factors that may exacerbate strain and therefore misconduct, such as leadership change and peer groups.

**Employees Behaving Badly: Goal Frames, Opportunisms & Mitigation Across Hierarchical Forms**

Nicolai Foss, *Bocconi University*  
 Siegwart Lindenberg, *University of Groningen*  
 Libby Weber, *University of California, Irvine*

Opportunism, a central assumption in transaction cost economics, is largely studied in interfirm exchanges. We attempt to elucidate intrafirm opportunism by identifying goal frames as sources of different opportunisms. Specifically, gain goals induce financial and status opportunism, and hedonic goals incite approach and avoidance opportunism. We also argue organizational normative goals reduce opportunism, but subgroup normative goals increase opportunism. We then suggest hierarchical forms induce different goals, so opportunisms systematically vary across them. Specifically, we predict: simple hierarchies exhibit less opportunism, u-forms display more approach and avoidance opportunism, m-forms exhibit more financial and status opportunism, and project matrix organizations display more of all these opportunisms. Finally, we suggest different administrative mechanisms are required to suppress opportunisms across hierarchical forms.

## Examining the Mediating Role of Cultural- Fit in the Aftermath of a Stigmatizing Organizational Event

Kartikeya Bajpai, *Northwestern University*

Brian Uzzi, *Northwestern University*

Klaus Weber, *Northwestern University*

Using the complete internal Instant Messaging (IM) communication records of a hedge fund that was raided on insider trading charges, we document the communication patterns of professionals after a stigmatizing organizational event. This unique empirical vantage point allows us to unpack the relationship between cultural embeddedness ('fit') and post-crisis professional behaviors. Drawing on 0.5 million IMs exchanged by 200 employees, we construct a measure of 'cultural fit' based on the language used. Our results show that structural proximity with the offending individuals negatively influences communication patterns. More importantly, we find a positive indirect effect of cultural fit on communication: individuals who are close to the source of the stigmatizing event seek to distance and withdraw themselves, while cultural fit promotes greater engagement.

## Brokering a Stick for a Hammer (or a Rock): Inter-Board-Committee Cooptation Following a Peer Restatement

Shelby Gai, *Northwestern University*

J. Yo-Jud Cheng, *Harvard University*

Unequal environmental threats prompt only certain groups to engage in problemistic search, limiting the pool of solutions. Lacking a viable solution, affected groups may seek access to another group's solutions. We argue that tertius iungens brokers can use their coordinating ability to coopt the unaffected group to advantage the affected group. Examining board committee dynamics following a peer restatement event, we argue that peer restatements pose a legitimacy threat to a focal firm's audit committee. Unable to signal legitimacy themselves, the audit committee coopts the compensation and nomination committees—which control visible signals of legitimacy—through multi-committee directors. We test and find evidence for inter-committee cooptation: audit-compensation cooptation yields a decrease in CEO compensation, while audit-nomination cooptation results in new director appointments that benefit the audit committee.

## The Usual Suspect: Using CEO Replacement to Substitute for Legislative Certification After Misconduct

Aharon Cohen Mohliver, *London Business School*

Jo-Ellen Pozner, *Santa Clara University*

Celia Moore, *Bocconi University*

The debate on whether, and to what extent, firms and industries should be subjected to regulation is ongoing, though the US trend of increasing industrial regulation changed sharply in 2017. While both proponents and opponents of regulation view deregulation as benefitting firms, organizational theory argues that firms enjoy a legitimacy benefit from being subjected to regulation. We argue that the legitimacy accompanying regulatory compliance lets firms retain key resources when suspicion of misconduct arises, and that being exempt from regulation may force firms to take costly action to restore legitimacy. We use a quasi-randomized allocation of regulation to firms, when an arbitrary decision temporarily exempted firms below a certain size from the costliest portions of Sarbanes-Oxley, to test our theory.

## Stigma Transfer Within Firms' Business Units

Mohamad Hasan Sadri Karami, *IE Business School*

Research on stigma transfer so far has mostly delved into the notion of the negative effects from one firm to other firms. Advancing this body of knowledge, we study intra-firm stigma transfer within firm's different business-units. We draw on corporate strategy research and organizational stigma literature to explain the mechanisms causing this phenomenon. Using a novel, hand-collected database of global arms manufacturers, we empirically show that stigma associated with a firm's business-unit can transfer to other, non-stigmatized business-units of the same firm decreasing their performance. This effect is amplified by the relatedness of the two units and is weakened if the ratio of sales in stigmatized industry to total sales, for the parent firm declines.

19:00 – 22:00

**MONDAY NIGHT EVENT**

## SESSION 1013

**IT'S SO HARD TO GET ALONG****TRACK A/M****Date** Tuesday, Sep 25**Time** 08:00 – 09:15**Room** Forum C**Paper****Session Chair:** Aharon Cohen Mohliver, *London Business School***Corporate Social Counterpositioning: The Impact of Issue Salience on the Distribution of CSR Espousal**Aharon Cohen Mohliver, *London Business School*Donal Crilly, *London Business School*Sungyong Chang, *London Business School*

Stakeholder engagement theories suggest that increasing the preferences of stakeholders for a social or environmental issue will advance the issue by pressuring firms to adopt socially responsible practices. In this paper, we argue that since social issues are domains in which some stakeholders hold strong, non-tradable and socially reinforcing preferences, increasing the preferences of some stakeholders for an issue may in fact incentivize certain firms to undermine it. We draw on the competitive differentiation and political positioning literatures to demonstrate that, as firms affiliate in support of a given social issue, they progressively alienate a subset of the stakeholders, increasing the value that can be captured by their peers who take a contrary stance that undermines the issue.

★ **Frenemies: Target Selection in Cooperative Private Politics**Kate Odziemkowska, *University of Pennsylvania*

I develop an embedded perspective on cooperative private politics, a heretofore understudied phenomenon in the burgeoning literature on social movement and markets. In cooperative private politics activists use collaborative tactics such as cross-sector partnerships or alliances, to change firm behavior. In selecting which firms to collaborate with, I argue that activists are influenced by the prior pattern of contentious targeting which opens up firms to collaboration, the reputation of the firm on its willingness to change, and the structure of the movement which influences the likelihood of peer criticism. I test my propositions using a unique panel database of all contentious and collaborative interactions between 118 U.S.-based environmental movement organizations and 300 firms between 1988 and 2012, complemented by network data on movements.

**The Rejection of Mission Aligned Certification Schemes by Bean-To-Bar Chocolate Entrepreneurs**Jennifer Woolley, *Santa Clara University*Jo-Ellen Pozner, *Santa Clara University*Michaela DeSoucey, *North Carolina State University*

We examine why entrepreneurs in the bean-to-bar chocolate market fail to adopt socially-oriented certification schemes that are aligned with their missions. Despite widespread acceptance in other domains, our analysis shows that the use of certification schemes, which signal firms' non-market social and environmental goals, is negligible among even explicitly socially-oriented bean-to-bar chocolate makers. Three beliefs underlie this rejection: that the cost of label adoption is excessive relative to its efficacy; certifiers' enactment of professed values is fundamentally flawed; and the label over-commercialization. In fact, the very entrepreneurs who reject certification have socially-oriented goals that shape the market by their disruption of the supply chain, informal influence, and customer connections building. This suggests limitations to certification schemes with implications non-governmental market regulation and socially-conscious consumer markets.

**NGO Activism, Legitimacy and Shareholder Value**Andreas Hoepner, *University College Dublin*Qian Li, *University of Oxford*Colin Mayer, *University of Oxford*

This study investigates the motivations of NGO activism and estimates its impact on management practices and long-term financial performance. Using propensity score matching to select two homogeneous groups of firms that are or are not NGO targets, the research focuses on exploiting the implementation of mandatory legislative acts on environmental and climate change issues in countries worldwide as a quasi-natural experiment. This study provides insights into: i) the variations between different types of NGO advocacy activities, companies, industries, countries and time periods; ii) whether firms' prior environmental and social and governance (ESG) performance, media exposure, legislative environment affect the likelihood of being engaged by NGOs; iii) the impact of NGO advocacy activities on voting proposals, management practices and long-term financial performance.

## SESSION 972

**EXECUTIVE AND DIRECTOR CHARACTERISTICS IN INTERNATIONAL FIRMS****TRACK C/O****Date** Tuesday, Sep 25**Time** 08:00 – 09:15**Paper****Room** Scene G+H**Session Chair:** Jun Xia, *University of Texas at Dallas***Behind Foreign Executives in TMTs of Emerging Market Firms: Resolving a Puzzle**Yang Liu, *Cornell University*Zhouyu Lin, *Jinan University*Jun Xia, *University of Texas at Dallas*

This study examines the extent to which firms in emerging markets hire foreign executives in top management teams (TMTs). Drawing on the resource dependence perspective, we develop a framework based on three dependence elements—importance, alternative, and discretion—to understand this phenomenon under the condition of organizational crisis. Using a longitudinal sample of listed firms in China, we argue that foreign competition in the home industry increases while presence of overseas returnees and state ownership decrease the likelihood of hiring foreign executives in TMTs of emerging market firms. Organizational crisis enhances the positive effect of foreign competition and reduces the negative effect of overseas returnees and state ownership.

**Faultlines in Foreign Subsidiary Top Management Teams: How Team Composition Affects Subsidiary Performance**Marketa Rickley, *University of Iowa*Eean Crawford, *University of Iowa*I-Heng Wu, *University of Iowa*

Teams which fracture into subgroups based on within-group alignment and between-group misalignment along demographic or knowledge-based attributes are said to form faultlines. While faultline strength is theorized to hinder performance, empirical evidence regarding the relationship is mixed. This suggests that context plays an important role. We examine this phenomenon in the international context, focusing on the relationship between faultline strength in foreign subsidiary top management teams (TMTs) and subsidiary financial performance. We argue that the presence of stronger faultlines within subsidiary TMTs can be expected to improve subsidiary performance. However, the adverse effects of TMT faultlines are triggered by greater geographic distance between the MNC home country and the subsidiary host country, reducing subsidiary performance. We find support for our hypotheses.





Board Embeddedness Across Country Experience-Based Social Subnetworks and Performance Implication of Internationalization

Zhengyu Li, *Shanghai University of Finance and Economics*  
Haoyuan Ding, *Shanghai University of Finance and Economics*  
Yichuan Hu, *Chinese University of Hong Kong*  
Guoguang Wan, *Nanjing University*

This study considers board embeddedness in country experience-based subnetworks within their social network. Experience-based subnetworks are differentiated according to the common experiences shared by the members in different countries. We argue that a balance of board embeddedness across such country experience-based subnetworks (i.e. similar tie strength between each subnetwork and the board) makes the relationship between internationalization and firm performance more positive by fostering knowledge collision in the process of forming corporate strategies on internationalization. However, the positive moderating effect of such balance declines as the status inequality increases among the subnetworks.

How Boards Shape Global M&A Patterns

Georg Guttmann, *University of St. Gallen*  
Xena Welch Guerra, *University of St. Gallen*

We examine how board members' biographies shape global M&A patterns. In particular, we analyze the effect of outside directors' geographic exposure on the probability of acquisition target selection. We propose that, confronted with globally dispersed acquisition targets, geographic exposure serves as a filtering mechanism that channels attention to familiar target countries. This effect is positively moderated by target country-specific deal competition and negatively moderated by target country-specific deal experience. We construct an opportunity space with all alternative targets for each realized deal and empirically test our hypotheses using conditional logit analysis. Based on a sample of Western European acquirers and 448,018 acquirer-target dyads, we find empirical support for our hypotheses, controlling for alternative explanations, such as CEO and target characteristics, institutional contexts, and geographic distance.

SESSION 986  
IMITATION

TRACK E	Date	Tuesday, Sep 25
	Time	08:00 – 09:15
Paper	Room	Studio F

Session Chair: Brian Wu, *University of Michigan*

An Exploration of the Micro-Level Impacts of Shanzhai (Copycat) Products on the Originals in China

Liangyan Wang, *Shanghai Jiao Tong University*  
Brian Wu, *University of Michigan*  
Cornelia Pechmann, *University of California, Irvine*  
Yitong Wang, *University of Technology Sydney*

Shanzhai (copycat), a product imitation strategy that is ubiquitous in many emerging economies, affects firms offering the original products. This phenomenon raises an important strategic question that we address using lab and field studies: How do Shanzhai products in China affect the performance of the original products which they imitate, and why? Contrary to the belief that Shanzhai products always hurt the original, we find that the effects of Shanzhai depend on Shanzhai quality: a joint retail display with a low-quality Shanzhai product actually benefits the original, while a joint retail display with a moderate-quality one hurts the original. Further analyses suggest expectancy disconfirmation effects underlie these performance outcomes. This research deepens our understanding of imitation strategies to help firms cope with Shanzhai.

Imitation, Strategy Convergence and the Erosion of Industry Profitability

Costas Markides, *London Business School*  
Erik Reimer Larsen, *Aarhus University*  
Shayne Gary, *University of New South Wales*

Industry profitability declines over time for a number of reasons. One of these reasons is imitation of successful strategies by less profitable rivals. This leads to the erosion of strategic differentiation, something that forces firms to revert to destructive price competition. Imitation has another less obvious and less-studied effect. By imitating their rivals, firms are migrating to more profitable positions but they are also abandoning their (less profitable) positions in the process. As a result, these sources of profit lie fallow and the profits are lost. We use simulation modelling to explore this particular mechanism of profit erosion in more detail. We uncover several factors that can facilitate or hinder this mechanism's effect on profit erosion in an industry.

Response to the Entry of Competitors and Substitutes that Enter through a Sharing-Economy Platform

Rosario Silva, *IE Business School*

This study analyzes how incumbents respond to the entry of competitors in comparison to the entry of substitutes, which are entering into the market through a sharing-economy platform, and if this response differs depending on the level of differentiation. Using data of the entry of new listings in Airbnb and the entry of new four-star hotels in fifty four touristic cities in Spain, I test if four-star hotels drop their prices equally after the entry of new hotel beds than after the entry of new Airbnb beds. The evidence confirms that four-star hotels cut more their prices after the entry of new Airbnb beds. The results also show that the response to the entry of competitors decreases when there is a high level of differentiation.

Who Takes on the Small Producers? The Role of Local Portfolio Dynamics

Tunde Cserpes, *Aarhus University*  
Ingo Kleindienst, *Aarhus University*

We combine insights from economic and authenticity-based theories to explain the mechanisms that underlie the organizational matching between emergent niche producers and established wholesalers. Our empirical setting is the US beer industry, where over the last thirty years the number of producers (=brewers) proliferated while the number of intermediaries (=wholesalers) declined. Our results show that emergent niche producers are more likely to match with high productivity wholesalers. As such, economic arguments seem to dominate authenticity concerns. Moreover, we find that there is a local logic of the composition of beer labels in a given wholesaler's portfolio—with the local fit positively affecting both niche producer representation and portfolio diversity.



## SESSION 1137

**DRIVERS OF COMPETITIVE BEHAVIOR****TRACK E****Date** Tuesday, Sep 25**Time** 08:00 – 09:15**Common Ground****Room** Studio B**Session Facilitator:** Paolo Aversa, *City, University of London***Exchange of Socioemotional Wealth and Competitive Dynamics**Chunhu Jeon, *Arizona State University*

Building on prior studies on the effects of loss of socioemotional wealth on family firm behaviors, this study examines how relational mechanisms between family-controlled organizations. Specifically, I examine how change in socioemotional wealth of family business groups caused by divestiture and acquisition can influence subsequent competitive dynamics between sellers and buyers. Drawing from social exchange theory and social identity theory, I argue that buyers tend to compete less with sellers at the corporate-level. Using 16-year panel data of South Korean business groups, I test how divestiture and acquisition experience influence market expansion and market share growth in general, and entry to buyer/seller's market. The preliminary results marginally support my hypotheses.

**The Impact of Performance Threat and Competitors' Aggressiveness in Knowledge-Sharing Dilemma in Buyer-Supplier Relationship**Miles Yang, *Macquarie University*Xinli Huang, *University of Western Australia*Wansi Chen, *East China University of Science and Technology*Di Fan, *University of Western Australia*

During the process of developing an innovation project, firms in its supply chains often face a strategic dilemma knowledge sharing versus knowledge leakage. Drawn from the behavioral theory of the firm, we empirically examine the effect of two cognitive antecedents on the motivation of knowledge sharing in a supply chain context. Results based on a behavioral scenario-based experiment by 109 operations professionals in a high-tech company show that suppliers with performance threat show a positive effect on their motivation to share knowledge with their buyers, and such a positive relationship is mitigated by their competitors' aggressiveness in the industry. Our findings contribute to the understanding of knowledge sharing in operations management literature, which have thus far remained empirically under-researched.

**Top Management Tenure and Competitive Repertoires Across the 3D Printing Industry Life Cycle**Brian Fox, *Bentley University*Zeki Simsek, *Clemson University*Ciaran Heavey, *University College Dublin*

Several studies have shown heterogeneous top management teams (TMTs) develop complex and unpredictable competitive repertoires, attributes which are associated with improved firm performance. But it is unclear whether the enhanced performance accruing to heterogeneous teams is attributable to these repertoires characteristics per se, or if heterogeneous TMTs construct repertoires that are consistent with environmental demands. We explore this question by examining managerial experience, competitive repertoires, and firm performance within the context of the evolving 3D printing industry from 1988 – 2016. We move beyond a simple prediction of "more is better" and suggest heterogenous TMTs are better able to construct sophisticated repertoires that balance the costs to construct and maintain them, while accruing benefits that are contingent upon the competitive context.

**Corporate Social Responsibility and Competitive Activity of Firms: Substitutes or Complements**Hun Lee, *George Mason University*Goce Andrevski, *Queen's University at Kingston*Walter Ferrier, *University of Kentucky*

Does corporate social responsibility (CSR) undermine or enhance a firm's competitive activity and competitive advantage? CSR research proposes two conflicting arguments. Some researchers argue that CSR diverts resources away from a firm's core activities. Other researchers argue that CSR expands the resources available to a firm's core activities. We resolve this paradox by integrating CSR and competitive dynamics research and find that CSR decreases competitive intensity (the number of competitive actions) but increases competitive complexity (the variety and novelty of competitive actions). In addition, CSR increases both short-term performance by substituting for the lack of competitive intensity and long-term performance by complementing to the advancement of competitive complexity.

**Leadership Duality in the Bio-Pharmaceutical Industry**Navid Asgari, *Fordham University*Vivek Tandon, *Temple University*Kulwant Singh, *National University of Singapore*Will Mitchell, *University of Toronto*

Theories of technological change commonly posit that entrants will displace incumbents due to their deeper understanding of new technology or, alternatively, that incumbents will dominate entrants based on their possession of complementary resources. By contrast, the evolution of the pharmaceutical industry following the biological revolution in the late 1970s is marked by dual leadership of pre-bio incumbents and bio entrants. We undertake a historical study of the sector to tease out possible answers to why this dual leadership state exists. Our findings emphasize the changing nature of complementary resources in the industry, which required diffusion, transformation, and creation of new resources, together with changes in the mix of internal development, alliances, and acquisitions that firms adopted to gain access to core technology and complementary resources.

**Network Position of SEPs and Bargaining Power: An Strategic Aspect of SEP Declarations**Tohru Yoshioka-Kobayashi, *University of Tokyo*

In the wireless telecommunication standard, a limited number of firms have a strong bargaining power backed by standard essential patents (SEPs), but the volume of SEPs is not an only influential determinant. This paper examines a determinant of bargaining power in SEP licensing negotiation; a network position of technology specifications. Using SEP declarations, we computed the importance of individual specifications and operationalized the influence of SEPs of individual firms. Our analysis revealed that a leading nonpractice entity had lost its influence due to the disadvantageous network formation by competitors. This paper contributes to IP management study in open standards by providing a new perspective to analyze the influence of SEP portfolio.



SESSION 1072

KNOWLEDGE & INNOVATION AND CORPORATE STRATEGY

TRACK F	Date	Tuesday, Sep 25
	Time	08:00 – 09:15
Paper	Room	Forum G+H
Session Chair:	Sharon Alvarez, University of Pittsburgh	

Do Star Scientists Actions Shape Firms’ Acquisition Strategy?

Martin C. Goossen, Tilburg University  
Louis Mulotte, Tilburg University

In this study, we examine the relationship between the performance and behavior of a firm's star scientists and the firm's acquisition strategy. We argue that an increase in the star scientists' productivity fosters small-scale acquisitions in new industries whereas an increase in the endogamy levels of their collaborative effort fosters the use of large-scale acquisitions within the industry. Data from the pharmaceutical industry between 1990 and 2010 provide initial support for our predictions. Our study specifies the relationship between a firm's human capital and its corporate strategies. We contribute to the human capital literature, extend research on star scientists, and develop our understanding of the drivers of varying types of corporate acquisitions in research environments.

What Money Can't Buy: Acquiring Innovative Capability Through M&A

Dongwook Kim, University of Pittsburgh  
Sharon Alvarez, University of Pittsburgh

By observing the M&A activities in the global video game industry, this study argues that acquiring innovative capabilities from target firms through acquisitions is more complex than previously acknowledged in the literature. We propose that firms that are better at transferring capabilities from the target firm are those that have developed their own capabilities through direct learning. We show that firms that acquire similar types of capabilities are primarily interested in exploiting resources from the target firm leading to increased short-term acquisition performance. While firms interested in acquiring capabilities that are dissimilar to their own capability base will be more focused on learning and transferring these capabilities in order to produce innovations leading to increased long-term acquisition performance.

Ruling The Airwaves: Sharing Knowledge Through Within-Industry Diversification

Jamal Shamsie, Michigan State University  
Michael Mannor, University of Notre Dame  
Alan Eisner, Pace University  
Helaine Korn, City University of New York

Although access to resources has been linked to superior performance, relatively few studies have examined the benefits that can be provided by a shared pool of resources to the individual units of a parent firm that has diversified within a single industry. In this paper, we focus on the effect of access to knowledge-based resources on the performance of such individual units. We test this theoretical framework by examining the contribution that can be made by shared knowledge-based resources to the performance of thousands of individual U.S. commercial radio stations. Our results provide strong support for our framework, finding that the benefits of any shared resources for a given radio station is closely tied to the relatedness and specificity of the available knowledge-based resources.

Governance Mode and Performance of Knowledge-Based Products: Evidence from Vertical Collaborations in the Television Industry

Yongwook Paik, Washington University in St. Louis  
Yujin Kim, ShanghaiTech University  
Evan Rawley, University of Minnesota

Despite the importance of the link between governance mode and performance for understanding firm's competitive advantage, the literature still remains incomplete. In this study, we argue that performance of new products developed via vertical collaboration between a vertically-integrated multiproduct downstream firm and an independent upstream firm will be better compared to that of products developed within the vertically-integrated downstream firm. This is because vertical collaboration as a governance mode in itself has primarily two benefits: 1) ease of attracting outside financing and 2) ease of implementing performance-based incentives free of social comparison costs. We empirically test our arguments using data from the Korean TV drama industry, which we supplement with semi-structured interviews. We find broad support for our arguments while mitigating potential endogeneity concerns.

SESSION 1126

FINANCIAL MARKETS, GOVERNANCE, AND CROSS-BORDER STRATEGIES

TRACK G	Date	Tuesday, Sep 25
	Time	08:00 – 09:15
Common Ground	Room	Studio E
Session Facilitator:	Ayesha Malhotra, University of Calgary	

Making the Best from Foreign Exchange Rate Uncertainty through Operational Flexibility

Harald Pühr, WU Vienna

Operational flexibility is a key source of advantage for firms with multinational operations. However, its relation to other instruments of international risk management is still unclear, particularly to financial hedging approaches to cope with exchange rate uncertainty. In this study, we try to disentangle the benefits of financial hedging and operational flexibility. We show that financial hedging minimizes the exposure to exchange rate uncertainty, whereas operational flexibility provides the opportunity to exploit uncertainty, conditional on the ability of firms to recognize and exercise options of production shifting. Results from a multilevel regression analysis using a sample of 381 U.S. MNCs support our hypotheses.

Overcoming Liabilities of Foreign Origin and Foreign Governance in the Global Debt Market

Thomas Lindner, WU Vienna  
Jonas Puck, WU Vienna  
Igor Filatotchev, King's College London

We build on institutional theory and international business strategy perspectives to explore liabilities of foreignness that firms face in the global debt market, and how they can mitigate these liabilities and reduce the cost of internationally raised debt. Using a unique, multi-country sample of 853 global bond issues during the period 2005–2014, we show that information asymmetry associated with institutional differences between the firm's home country and target capital market is a major antecedent of both the "liability of being foreign" and the "liability of foreign governance," which, in turn, have a negative impact on bond ratings. However, firms can mitigate this negative effect through equity listing in the target country, and international diversification.

## Overcoming Liability in Capital Market: The Role of Foreign Debt Issuance and Cornerstone Investors

Lang Shi, *Peking University*

Changqi Wu, *Peking University*

Enterprises undergoing foreign initial public offerings (IPOs) in developed economies face a liability of foreignness that can negatively impact the firm's access to capital. In this study, we examine the effect of heterogeneity in financial market orientation on one indicator of this liability, namely foreign IPO underpricing. At firm-level, we examine the role of foreign debt issuance and cornerstone investors in the price discovery process. As a result, we find that while financial market orientation gap is positively related to foreign IPO underpricing, foreign debt issuance and cornerstone investors help attenuate this liability of foreignness in capital market.

## Country Reputation and Investor Reactions to Cross-Border Acquisitions

Chengguang Li, *Western University; University of Paderborn*

Oded Shenkar, *Ohio State University*

William Newbury, *Florida International University*

Rudiger Kabst, *University of Paderborn*

Building on signaling theory, we explore country reputation's role as a baseline signal for investors evaluating cross-border acquisitions and propose that a country's reputation imprints on its firms so that those hailing from nations with better reputations are viewed as being superior. Investors are expected to react more positively toward acquisitions when the reputation of the acquirer's nation is greater than that of the target's since the difference signals that the acquirer is able to identify undervalued targets and leverage synergies. Furthermore, we propose that analyst coverage, firm size, and number of prior takeovers weaken country reputation's role, as investors can use these signals to substitute country reputation as a signal with which to evaluate those firms.

## Does Lower Uncertainty Sustain Investors' Optimism? An Empirical Study of Cross-border Acquisitions

Rong Zeng, *University of Calgary*

Won-Yong Oh, *University of Nevada, Las Vegas*

Pengcheng Zhu, *University of San Diego*

In this study, we used cross-border acquisitions by Chinese firms to examine how emerging economies investors' optimism towards cross-border M&As evolves. Event study shows that the Chinese stock market reacts positively to the acquisition announcement in the beginning but the positive stock return reverses afterwards. We argue that investors' sense-making regarding uncertainty in acquisition deals is one key factor explaining this optimism-pessimism reversal relationship observed. Specifically, we argue that the initial optimism will be sustained when the acquiring firms have prior international acquisition experience, when low institutional uncertainty involves, and when a greater market opportunity is expected. This study provides a nuanced understanding of the investors' reactions to cross-border acquisition deals by considering both the immediate and longer-term stock market reactions.

## The Impact of Real Options Awareness on Downside Risk in Multinational Firms

Sophocles Iouliaou, *University of Cyprus*

Michael Leiblein, *Ohio State University*

Lenos Trigeorgis, *University of Cyprus*

Real option theory (ROT) suggests that multinational firms can achieve superior performance by enhancing access to upside investment opportunities and reducing downside risk. The empirical findings associating measures of global scope with upside investment growth potential and the reduction of downside risk, however, are fragile. This paper aims to explain the conflicting empirical findings by leveraging recent insights in behavioral real option theory. Our findings show that the association between measures of global scope and improved performance in the form of downside risk reduction suggested by ROT are contingent on the uncertainty surrounding an opportunity and firm-level investments and attributes that affect an organization's ability to recognize and implement real options effectively.

### SESSION 1129

## LOCATION AND DISTANCE IN GLOBAL STRATEGY RESEARCH

<b>TRACK G</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Forum I+J

**Session Chair:** Luciano Ciravegna, *INCAE Business School*

## International Acquisition Withdrawal and the Impact of Geographic Distance

Steven Creek, *Appalachian State University*

Joshua Maurer, *Truman State University*

Globalization has increased the frequency of cross-border acquisitions. While most acquisition research portrays reciprocal benefits for each firm involved, our study takes the opposite approach and examines how geographic distance can influence the withdrawal of acquisition bids. Additionally, we propose a novel and more robust approach for measuring geographic distance. Recent international business literature has suggested that the traditional measurement of geographic distance may be over-simplified. This study represents the first to empirically test this claim. Our findings indicate that while the traditional geographic distance measure has no significant impact on acquisition withdrawal, other measures do. Using global pharmaceutical data, we find that a target firm's geographic distance to the nearest disaggregated headquarter or nearest subsidiary is a significant predictor of acquisition bid withdrawal.

## Location Flexibility in Global Sourcing: Modalities and Tradeoffs in an Era of Increased Volatility

Peter D. Ørberg Jensen, *Copenhagen Business School*

Stephan Manning, *University of Massachusetts, Boston*

Bent Petersen, *Copenhagen Business School*

Increased volatility is the new normal for globalized and interconnected supply chains. Complementing studies on governance and supplier flexibility this conceptual paper aims to fill an extant research gap in relation to firms' location flexibility in global sourcing. In an increasingly dynamic and globally integrated economic environment, firms develop the capacity to swiftly relocate tasks and resources to reduce the impact of location-specific risks, but also to benefit from arising location opportunities. In this perspective, the paper outlines modalities, individually and in combination, in developing location flexibility and discusses fundamental managerial tradeoffs between cost efficiency and imitability associated with these modalities. The study has important implications for ongoing debates on global sourcing and organizational flexibility.



Distance, Experience, and Cross-Border Investments Around Focal Markets: The Case of Private Equity

Santiago Mingo, *Adolfo Ibañez University*  
Luciano Ciravegna, *INCAE Business School*

Previous research on cross-border investments has mostly focused on understanding what drives investments into a particular focal market. However, the question of what drives cross-border investments around—or in the proximity of—a focal market has been largely ignored. In this study, we theorize about three factors affecting the distribution of cross-border investments around a focal market: cross-national distance, investment experience in the focal market, and investment experience in the region where the focal market is located. We also examine how these factors interact with each other. To test our theoretical arguments, we use a dataset of private equity firms that made investments in three emerging market regions—Latin America, Southeast Asia, and Eastern Europe—from 1996 to 2011.

Experience Diversity in Subnational Institutional Environment in Home Country and its Impact on International Expansion

Chinmay Pattnaik, *University of Sydney*  
Qiang Lu, *University of Sydney*

Operating in diverse sub-national regions within a home country provides substantial experience and learning opportunities for firms to operate in varied institutional contexts. Such experiential learning experiences could be beneficial for firms for their international expansion. Using a unique dataset of prior operating experience by firms in various subnational regions, we find that operating experience in diverse institutional contexts within India has a positive impact on the international expansion of firms. This relationship is positively moderated by firm specific and network specific knowledge. Moreover, experience in the institutionally developed subnational region compared to the home region has a positive impact on the international expansion.

SESSION 1053

BUSINESS MODEL INNOVATION

TRACK H/J	Date	Tuesday, Sep 25
	Time	08:00 – 09:15
Common Ground	Room	Studio G+H

Session Facilitator: Charles Baden-Fuller, *City, University of London*

Business Model Innovation: Towards a Routine-Based Conceptualization

Carlos M. DaSilva, *University of Applied Sciences Western Switzerland*  
Oleksiy Osiyevskyy, *University of Calgary*

The business model innovation phenomenon is gaining substantive attention in management literature. However, little advancement has been made toward a consensual, holistic, theory-based understanding of the nature of business model innovation. Building upon the theoretical insights of the literature on organizational routines and ‘activity system’ perspectives on business models, we refine the conceptualization of a business model as a cluster of interrelated routines, with its internal change dynamics determining the scope of business model innovation. We then demonstrate how this “routine-based” conceptualization of business model and business model innovation constructs allows resolving a set of theoretical debates in the literature.

Managerial Attention, Communicative Practices, Business Model Innovation: A Study on the Dutch Design Industry

Maria Rita Micheli, *IESEG School of Management*  
Luca Berchicci, *Erasmus University Rotterdam*  
William Ocasio, *Northwestern University*

Prior research has investigated how managers use existing attention structures to innovate. What is currently missing is an understanding of how attention structures change during the innovation process, in response to different stimuli. In this paper, we address this issue, examining the evolution of attention during business model innovation (BMI), based on a two-year longitudinal study of eight Dutch design companies. We track managerial decision-making along different phases. In order to capture how managers’ attention is re-shaped during this process, we focus on how communicative practices employed by managers with customers and employees lead to the necessary re-structuring of attention structures and strategic agendas for change. With this study, we bring a dynamic approach to attention literature and we explore the process of BMI.

Managing the Process of Business Model Innovation: A Practitioner Perspective

Carlos M. DaSilva, *University of Applied Sciences Western Switzerland*

This study examines the processes through which an a team of decision makers alter the firm’s business model through the process of business model innovation. Adopting a study approach, this research identifies eight distinctive subprocesses that were grouped into three aggregate processes that enable businesses to innovate their business model. The findings contribute to the strategy literature by building theory on how the process of business model innovation occurs in a dynamic environment.

How Business Model Designs Influence Firm Performance: An FSQCA Study

Jun Wu, *Guangzhou Panyu Polytechnic*  
Wenwen An, *Tianjin University of Technology*  
Xin Zheng, *Sun Yat-sen University*  
Xia He, *Guangzhou Panyu Polytechnic*

From a boundary-spanning transactions perspective, researchers have identified two main business model designs, namely, efficiency- and novelty-centered business model designs. With a fuzzy-set qualitative comparative analysis of 360 Chinese firms, this study considers firm stage and environmental dynamism to offer a holistic understanding of how business model designs work together to lead to high performance. Our empirical investigation finds solutions associated with high performance, which suggests that effective configurations of business model designs vary among different contexts. We also find insights regarding different patterns of business model design as well as the relations between efficiency-centered business model design and novelty-centered business model design.

From Closed-Loop Business Model Patterns to a Sustainable Strategy: Learning from the Small Ones

Fabian Takacs, *University of St. Gallen*

Increasing demand for resources from a growing world population and a related increase in waste and pollution triggered by “take-make-dispose” practices in today’s consumer society are causing irreversible harm to the earth. Byproducts of this are scarcity problems and alarming price fluctuations with corresponding risks for corporate supply chains. Taking these problems as an occasion, we develop a strategic management approach for the evolution of business models towards more regenerative, circular economic patterns. By analyzing 200 sustainable startups, we identify closed-loop business model (CBM)-patterns using an iterative and qualitative approach. These CBM-patterns are categorized in a value-space and tested for their effectiveness in a case-study with eight Swiss companies. Based on this, we develop a sustainable strategic management (SSM) approach tailored to implement these patterns.



## Turnaround Interventions in Complex Systems: The Influence of Interdependency Pattern on the Success of Turnarounds

Nadine Eve Rusch-Schenker, *University of St. Gallen*

This article explores how existing interdependencies between activities of complex systems influence the effect of turnaround interventions on performance. I argue that the relative distribution of interdependency patterns will determine, how likely the intervention through turnaround actions will have the intended positive effect on performance and propose that the degree of modularity, concentration and openness among complex systems build a pre-defined frame of the system towards turnaround interventions with the intention to change the organization to the better. Further, based on Ashby's law, I propose that interventions into complex systems are more likely to be successful, if they absorb complexity of the system by mirroring the interdependency pattern of the activities the organization is engaged in.

SESSION 1018

## THE PARADOXES OF THE EXPLORATION EXPLOITATION TRADEOFF

TRACK I	Date	Tuesday, Sep 25
	Time	08:00 – 09:15
Paper	Room	Studio D

Session Chair: Patrick Reinmoeller, *Cranfield University*

## Human Capital Microfoundations of Unit Exploration and Exploitation

Mariko Nakagawa, *University of Warwick*

Christian Stadler, *University of Warwick*

Chengwei Liu, *University of Warwick*

Previous studies on organizational exploration and exploitation have suggested the relevance of human capital such as slow learner effect. However, researchers have focused on individuals who are senior or top managers, and less has focused on the characteristics of individuals who are not managers. This study predicts that individual knowledge diversity is positively related to unit exploration and that individual knowledge depth is negatively related to unit exploration. The analyses of 70,653 Japanese comic books data find that individual exploration and individual industry tenure are positively related to unit exploration respectively, suggesting both individual knowledge diversity and depth can be a source of unit exploration. This study contributes to deepening understanding about human capital microfoundations of exploration and exploitation.

## How does Alternating between Exploration and Exploitation Affect Firm Performance?

Jingoo Kang, *Nanyang Technological University*

Sang-Joon Kim, *Ewha Womans University*

This study investigates under what conditions firms can enhance their performance with alternating between periods of exploration and exploitation (i.e., sequential switching). We find that sequential switching has a negative effect on firm performance. We also find that performance effects turn positive if firms are more experienced in sequential switching or deal with low levels of organizational complexity. That is, despite significant challenges of sequential switching for most firms, firms with certain capabilities and characteristics may still achieve improved performance from sequential switching.

## Configurations of Internal Capabilities and Customer Characteristics of Highly Innovative Outsourcing Service Providers: Fuzzy-Set Analysis

Fatemeh Kanani Moghadam, *University of Newcastle*

Stephen Chen, *University of Newcastle*

This study examines how ambidextrous learning capabilities of outsourcing service providers (OSPs) and the knowledge of their customers jointly affect the innovation performance of the OSPs. Learning from clients is a critical approach for accumulating business knowledge, developing new practices, and creating innovative solutions in knowledge-based service firms in general but particularly for outsourcing service providers, who are in a unique position of being privy to detailed knowledge of the operations of multiple global clients. Using fuzzy-set qualitative comparative analysis (fsQCA) we show that in order to benefit from this vast client knowledge, OSPs need to have ambidextrous learning capabilities to assimilate this client knowledge and combine it with existing knowledge in order to improve their services and processes.

## How Paradox Resolution Strategies Sustain Paradoxical Tensions: An Exploratory Study in the Context of NPD

Frederic Delley, *University of Applied Sciences Western Switzerland*

Patrick Reinmoeller, *Cranfield University*

At the heart of paradox management is the idea that the simultaneous pursuit of conflicting objectives generates tensions that can be leveraged for both short-term excellence and long-term success. To effectively manage paradoxes, scholars point to the importance of paradoxical thinking, decision patterns over time and resolution strategies (differentiating and integrating). In their dynamic equilibrium model (Smith and Lewis, 2011) the resolution strategies play an important role in further embedding tensions within the organization. However, there is limited theorization of the mechanisms by which resolution strategies may sustain tensions. This study aims explores this important link in the dynamic equilibrium model by asking the following question: "What is the nature of the relationship between paradox resolution strategies and the ability to sustain paradoxical tensions?"





## SESSION 899

**PATTERNS OF DIGITAL DISRUPTION: INSIGHTS FROM THE FINANCIAL SECTOR**

<b>TRACK J/B</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	08:00 – 09:15
<b>Parallel Panel</b>	<b>Room</b>	Loft G

**Session Chairs**Krsto Pandza, *University of Leeds*Youngjin Yoo, *Case Western Reserve University***Panelists**Jesper Rye Enggaard, *Nordea Bank AB*Jannis Kallinikos, *London School of Economics and Political Science*Tobias Kretschmer, *LMU Munich*Rashik Parmar, *IBM*

This parallel panel brings together senior corporate managers that lead digital innovation initiatives with strategy researchers interested in disruptive nature of innovation and the emergence of digital ecosystems and platforms as the central focus of innovation in the digitalized world. The panel will focus on discussing potentially disruptive challenges in the financial sectors such as for example Open Banking that is driving discontinuous changes in retail banking and wealth management. The panel will discuss how digitalization changes the nature of disruptiveness? What are the organizational capabilities needed for incumbents to build and orchestrate digital ecosystem? How an incumbent firm manages complementors and engage with existing customers while simultaneously innovate on the core platform? The panelists will try to identify characteristic patterns of digital innovation.

## SESSION 1088

**NEW VENTURE TEAMS**

<b>TRACK K</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	08:00 – 09:15
<b>Common Ground</b>	<b>Room</b>	Studio I+J

**Session Facilitator:** Mahka Moeen, *University of North Carolina at Chapel Hill*

**Does Founding Team Homogeneity Improve Performance? The Effects of Networking Strategy and Localism**Lei Xu, *Texas Tech University*Juan Ling, *Georgia College & State University*H. Dennis Park, *University of Texas at Dallas*Oleg Petrenko, *Texas Tech University*

We examine a mechanism through which founding team homogeneity influences performance in the U.S. venture capital industry. We argue that homogeneous founding teams have high diversity-seeking motivation to undertake networking strategies that lead to high investment performance. Drawing on the longitudinal data of 436 U.S.-based venture capital firms from 1991–2016, we find that founding team homogeneity was positively related to networking strategies such as the development of structural holes and centralized network positions. Furthermore, localism moderated the relationship between founding team homogeneity and networking strategy. In particular, network centrality partially mediated the relationship between FT homogeneity and investment performance.

**Stay the Course or Pivot? Entrepreneurial Teams and Changes in Early-Stage Business Models**Michael Leatherbee, *Pontifical Catholic University of Chile*Riitta Katila, *Stanford University*

We focus on founding teams' experimentation with early-stage business models. We draw from detailed longitudinal data on business-model experimentation by 143 NSF-supported founding teams over an entrepreneurial intervention period of eight weeks. Findings show that teams with most business experience (MBA on the team) are the least likely to experiment, especially when many assumptions are not validated and there are many untested assumptions. Paradoxically, we also find that these same teams 'get more out of experimentation' if they start experimenting in the first place. Moreover, teams that take time to set hypotheses and test them revise their business models more frequently. This paper contributes to the emerging discussion on experimentation in young firms and changes in early-stage business models by different types of founding teams.

**Organization and Finance Of Entrepreneurial Ventures: Looking Beyond the Surface**Vincenzo Buttice, *Polytechnic University of Milan*Massimo Colombo, *Polytechnic University of Milan*Paola Rovelli, *Free University of Bozen-Bolzano*

In this paper we examine the association between the organization and the mode of financing of entrepreneurial ventures. By means of a mixed-method study, we show that after receiving outside equity from professional investors, entrepreneurial ventures' TMTs becomes larger and more specialized. The presence of outside equity investors also influences the extent of delegation of decision authority within the team. However, this effect varies depending on the type of investor. When ventures are backed by corporate investors, delegation increases. By contrast, when ventures receive outside equity investors from independent venture capital investors, they tend to centralize authority over key strategic decisions in management committees. This organizational arrangement is instrumental to the wish of the outside investors to exercise greater control over these decisions.

**A Dynamic View of Founding Team Imprinting: The Case of U.S. Venture Capital Industry**Lei Xu, *Texas Tech University*Qian Gu, *Georgia State University*Hans Hansen, *Texas Tech University*Shawna Chen, *Brock University*

Despite the importance of imprinting on firm's strategic decisions, its varying effects overtime remains unclear. This study unravels the time-changing mechanism through which founding team (FT) imprinting affects firm's diversification decisions. We propose that heterogeneous FTs tend to conform to external stakeholders' expectations to specialize and pursue a lower level of diversification at founding. In the short run, however, the expectation for growth and development tends to override the initial expectation for specialization, pressurizing heterogeneous FTs to leverage their team diversity to increasingly diversify. In the long run, the internal conflict and power struggle within heterogeneous FTs are likely to dominate, causing firms with heterogeneous FTs to return to their initial strategic choice. Our results from 785 U.S.-based venture capital (VC) firms supported our argument.

## How do Founding Teams Form? Towards a Behavioral Theory of Founding Team Formation

David Clough, *University of British Columbia*  
Balagopal Vissa, *INSEAD*

We advance behavioral theory and entrepreneurship research by developing a conceptual model of how founding teams form. Our neo-Carnegie model situates founders in particular network-structural milieu, engaging in aspiration-driven search for and evaluation of prospective cofounders. Founding team formation is a consequence of mutually favorable evaluations in a multi-sided matching process. Our multi-level model provides new insights on the formation pathways of founding teams and their initial task and relational endowments, and it draws new links between neo-Carnegie theory and the literature on social cognition. Our central proposition is that founding teams formed prior to opportunity identification are qualitatively different from teams formed post opportunity identification.

## Intentionality and Instantiation of New Strategic Ventures

Randall Westgren, *University of Missouri*

The establishment of a new venture facing an uncertain, turbulent environment is modeled as a two-period process. In the first period, jointly-held beliefs and goals of founding team members comprise their collective intentionality. Intentionality is not limited to intention, but includes shared beliefs about market conditions, including aleatory and epistemic uncertainty. In the second period, the venture is instantiated as an economic entity and the ontological status of the team changes. Alternative accounts of collectivity permit precise capture of team intentionality and connection to structural and behavioral characteristics of the enterprise, notably claims on revenue streams. This represents a microfoundational model for empirical analysis of venture formation and how returns to uncertainty-bearing and innovation are shared -- in startups and new ventures in existing firms.

### SESSION 1098

## CORPORATE ENTREPRENEURSHIP

<b>TRACK K</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Forum A

**Session Chair:** Wonsang Ryu, *City University of Hong Kong*

## Acquisition Strategy and Entrepreneurial Orientation in Large Firms: Exploring the Contingency of Organizational Design Parameters

Anna Pastwa, *KU Leuven*  
Hans Bruining, *Erasmus University Rotterdam*  
Ernst Verwaal, *KU Leuven*  
Aart Willem Saly, *EY Advisory*

This study investigates the role of acquisitions as an instrument to support entrepreneurial orientation (EO) in large established companies. We explore whether organizational design contingencies such as centralization and internal control mechanisms, moderate this process. Using multiple data sources on a sample of 169 large firms operating in the Netherlands, we theorize and provide empirical evidence suggesting that firms pursuing acquisitions exhibit higher EO if they implement internal control mechanisms for new and ongoing activities. Moreover, large centralized companies might substantially reduce their entrepreneurial disadvantage by pursuing an acquisition strategy if internal control mechanisms are in place.

## CEO Sensitivity to Equity-Based Incentives and Entrepreneurial Orientation

Anna Pastwa, *KU Leuven*  
James Thewissen, *KU Leuven*  
Wouter Torsin, *KU Leuven*

Extant research shows that CEO's entrepreneurial orientation is positively associated with firm value creation. Building on agency, behavioral and compensation incentives literatures, we explore whether executives' equity-based compensation motivates them to implement entrepreneurial strategic orientation. Based on a multi-source longitudinal dataset of S&P1500 firms between 2005 and 2013, we find that CEOs entrepreneurial effort is negatively related to sensitivity of managerial wealth to stock price (delta) and positively to the sensitivity of expected managerial wealth to stock volatility (vega) but in a nonlinear way. We also find that this positive relationship is more pronounced for female CEOs. Overall, our results suggest that the decision to adopt an entrepreneurial posture is a strategic choice that is driven by the design of the CEO's compensation contract.

## Reaching for the Stars: How Should Established Firms Organize to Radically Renew their Business Models?

Karolin Frankenberger, *University of St. Gallen*  
Christoph Zott, *IESE Business School*

Faced with the threat of nimble new entrants with new business models, managers of established firms need to find ways to renew their own business models. However, how should they organize the renewal to ensure a high degree of novelty in the resulting business model? Anchored in corporate entrepreneurship theory we develop and test a model that explains how the degree of novelty depends on the alignment among an initiative's differentiation and integration with the core business, and the adoption of relevant governance mechanisms at the initiative and business unit levels. The paper's main theoretical contribution is to explain how governance serves as a crucial mechanism to unlock the power of combining differentiation with integration – two seemingly opposing forces – in corporate entrepreneurship initiatives.

## Where to Invest? Competitive Positions in Technology Domains and Corporate Venture Capital (CVC) Investments

Wonsang Ryu, *City University of Hong Kong*  
Joonhyung Bae, *Purdue University*  
Thomas Brush, *Purdue University*

We examine why a corporate investor makes more CVC investments in certain areas than in others as a starting point to explain interfirm heterogeneity in investment areas. Unlike prior research investigating the aggregate-firm-level antecedents of CVC investments, we use a technology-domain-level approach to elucidate how firms' likelihood of CVC investments in each domain is determined by their competitive positions in that domain. Our findings suggest that firms are more likely to undertake CVC investments in a certain domain when they are intermediates than when laggards or leaders in that domain. This inverted U-shaped relationship between a firm's technology position and the likelihood of CVC activity is also shaped by the growth rate and the intensity of competition over investment targets in the focal technology domain.



SESSION 974

REPUTATION AND STATUS CONCERNS OF FIRMS AND EMPLOYEES

TRACK L	Date	Tuesday, Sep 25
	Time	08:00 – 09:15
Paper	Room	Forum B
Session Chair: Greg Reilly, University of Connecticut		

Executive Hiring: Setting Pay to Build Reputation

Jenna Rodrigues, University of Connecticut

Greg Reilly, University of Connecticut

Prior literature suggests that firms may set executive level pay through evaluating an individual’s human capital, anchoring the new wage on the individual’s prior wage, or consistently setting pay in accordance with a given position at the focal firm. We propose a fourth strategy utilized to set executive pay for new hires – a reputation-driven pay setting strategy. We propose that under certain circumstances, some firms use executive pay level as a tool for attempting to enhance their overall firm reputation, expecting that external actors will view executive pay level as a signal of internal knowledge and expectations about future resource growth and performance outcomes. In this paper, we explore the conditions under which firms are increasingly likely to utilize a reputation-driven pay setting strategy.

Being Known and Being Good: A Panel Study on Job Seekers’ Determinants of Organizational Attractiveness

Greta Onken-Menke, University of Muenster

Stephan Nüesch, University of Muenster

Johann Nils Foege, University of Muenster

Recruiting skilled graduates is an essential and yet difficult task for firms that seek to maintain and improve their workforce. For this purpose, they have to identify and strengthen those organizational idiosyncrasies, which best improve their reputation as employers. We argue that both being known and being good have a positive influence on the perceived organizational attractiveness. While controlling for time-constant firm heterogeneity, time trends and observable time-varying confounders, results of firm fixed-effects regression analyses confirm that a firm’s media coverage (i.e., being known) and its location attractiveness, performance, and internationality (i.e., being good) indeed increase organizational attractiveness. Furthermore, we find that being good is not less important than being known with regards to organizational attractiveness. These findings yield important theoretical and practical implications.

The Broad vs. the Pointed Brush: Status Change, Stigma and Blame Following Fast Organizational Failure

Agnieszka Nowinska, Copenhagen Business School

Kristina Vaarst Andersen, University of Southern Denmark

Mark Lorenzen, Copenhagen Business School

We explore labor market mechanisms of intra-professional status change following fast organizational failure. Using qualitative and quantitative data, we examine careers of displaced employees. At odds with extant theory, we do not find any general status loss. We explain this by the fast decline and aftermath of this particular organization, allowing insufficient time for a stigmatization. We find that displaced employees most prone to status loss are those having worked organizationally and geographically proximately to the locus of the organization’s failure. We suggest that in lieu of stigma, status change is driven by a mechanism of blame, while both mechanisms compensate for imperfect information, stigma entails weaker association to failure and hence ‘taints with a broader brush’ compared to blame’s ‘pointed brush’.

Explaining Variation in Who Gets Punished in the Aftermath of Misconduct on Wall Street

Pooria Assadi, California State University, Sacramento

Andrew von Nordenflycht, Simon Fraser University

This analysis investigates the career consequences of one form of Wall Street misconduct where stockbrokers cheat their customers by generating higher fees through conducting unnecessary, unsuitable, or unauthorized transactions using FINRA records. Our randomly-selected sample includes 4,675 stockbrokers with employment spells at 1,877 brokerage firms during 1984-2013. Using robust linear probability models, we find that client-facing misconduct is punished by the labor market, but regulatory-facing misconduct is not. We also show that higher tenure weakens the punishment after client-facing misconduct but it strengthens the punishment after regulatory-facing misconduct. Furthermore, we find evidence that male brokers later in their careers are punished more for client-facing misconduct and punished less for regulatory-facing misconduct than female brokers later in their careers.

SESSION 1042

STATUS, REPUTATION, AND LEGITIMACY

TRACK M	Date	Tuesday, Sep 25
	Time	08:00 – 09:15
Paper	Room	Forum E
Session Chair: Anne Jacqueminet, Bocconi University		

Understanding the Conditions for Environmental Legitimacy: A Configurational Approach

Anne Jacqueminet, Bocconi University

Kerstin Neumann, University of Innsbruck

Petrus Maria Snoeren, Tilburg University

Prior research on environmental legitimacy has significantly advanced our understanding of how single factors affect stakeholders’ assessment of firm’s environmental legitimacy. Given that stakeholders build their perception holistically on a combination of multiple, interdependent factors, we investigate how different, complex configurations of factors could lead to positive or negative legitimacy evaluations. Applying fsQCA methodology, we find that none of the conditions we identified is either sufficient or necessary to achieve environmental legitimacy. More specifically, results indicate that (a) environmental performance and legitimacy are not necessarily associated in a one-to-one relationship; (b) the combination of internal adaptation and impression management initiatives might be less effective in generating legitimacy than expected; and (c) global and local strategies can both lead to high legitimacy when appropriately complemented.

The Role of Quality Sequences in Reputation Formation

Owen Parker, Oklahoma State University

Ke Gong, Oklahoma State University

Rachel Mui, Oklahoma State University

Varkey Titus, University of Nebraska, Lincoln

Given the surge of interest in liabilities of high reputation, we draw upon signaling and information processing theories to examine how “product quality disappointments” differentially affect perceptions of a firm’s reputation for quality. We theorize that disappointment has different implications for modest versus high accumulations of product quality, asserting that high quality is relatively insensitive to the hazards of quality disappointment. We use a randomized, controlled experiment to examine perceived reputation for nine distinct sequences of three product introductions and their associated quality ratings, and find effects on observers’ perceptions of reputation for quality which generally support our hypotheses. This begins to shed light on when “good performance” is a benefit or a burden based on patterns of performance sequences over time.

## The Effects of Organizational Status on Employment-Related Corporate Social Responsibility: A Regression Discontinuity Approach

Yuan Tian, *Northwestern University*  
Edward Smith, *Northwestern University*  
Brayden King, *Northwestern University*

Given the costs, why do firms invest in corporate social responsibility (CSR)? While existing research has offered a number of answers, we propose that organizational status may affect firms' investment in CSR, and employment-related CSR initiatives in particular. Drawing on research that suggests benefits of employee engagement that come with both organizational status and investment in CSR, we propose that low-status organizations may respond to their status-based disadvantage by engaging in employment-related CSR. To causally identify the effect of organizational status on employment-related CSR, we utilize a regression discontinuity design (RDD) in the context of Fortune 500 and 1000 rankings. We found that firms that are just below the Fortune 500 cut-off invest more in employment-related CSR than comparable firms just above the cut-off.

## ★ Reputation and the Financial Returns to the Corporate Provision of Public Goods

Luis Ballesteros, *George Washington University*  
Tyler Wry, *University of Pennsylvania*  
Michael Useem, *University of Pennsylvania*

Despite the increasing social value of corporate giving in the aftermath of disasters, donors often face social backlash in response to their giving. These results extrapolate to all the reported corporate responses to disasters that affected the world in the period 2003-2015 and corporate donors obtain losses that are not explained by normal market operation 51% of the time. We argue that the conditions of high uncertainty and ambiguity under which corporate disaster giving takes place lead decision makers to use signals not associated with the firm behavior and the social need. Particularly, stakeholders rely on firms' pre-disaster reputation to estimate the contextual appropriateness of the firm response. Well-reputed firms will thus derive rents regardless of their response, while poorly-regarded firms are often punished

### SESSION 945

## ALLIANCE AND ALLIANCE DYNAMICS

<b>TRACK N</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	08:00 – 09:15
<b>Paper</b>	<b>Room</b>	Forum F

**Session Chair:** Pinar Ozcan, *University of Warwick*

## Understanding the Dynamics of Alliances: The Interplay Among Trust, Openness, and Interactions

Florian Kapmeier, *Reutlingen University*  
Jeroen Struben, *EMLYON Business School*

Scholars have studied the phenomenon of alliance failure and identified many reasons for it, including lack of trust. Paradoxically, the concept of trust is not fully understood. We synthesize a stylized model that describes relational dynamics of an alliance, encompassing the coevolution of trust, openness, and contributions, producing relational rents. We translate this framework into a computational model and analyze it through simulation. We identify a tipping boundary, separating a regime of alliance failures and successes. Our analyses reveal that strategies informed by a static mental model of partner trust, contributions, and openness, tend to yield values of openness which lead to suboptimal alliance results. Too little openness risks early failure due to being trapped in a vicious cycle of trust erosion and alliance failure.

## Multi-Partner Alliance Diversity and Performance: The Dilemma of Value Creation and Appropriation

Mohammad Nasir Nasiri, *Tilburg University*

In this study, we attempt to systematically examine the diversity of multi-partner alliances and its performance consequence. We identify the distinct dimensions of multi-partner diversity (MPD) construct and separately examine the performance consequence of each dimension on the multi-partner alliance (MPA) as well as on the partner firms. We identify three dimensions of MPA: partner variety, relational separation, and structural disparity. In addition, we distinguish value creation from value appropriation mechanism and examine the effect of each dimension of MPD on the overall created value of the MPA, as well as on the captured value by a distinct partner firm. We aim to test our hypotheses in a sample of multilateral R&D alliances in the semiconductor industry from 1990 to 2008.

## Bound to Last? Alliance Persistence in the Presence of Alternative Partnering Options

Nina Hampl, *University of Klagenfurt*  
Werner Hoffmann, *WU Vienna*  
Tobias Knoll, *WU Vienna*

Only recently research has begun to depart from a failure-driven perspective to explain alliance dissolution, to also incorporate contextual changes. We build upon the nascent stream of option-driven alliance termination and experimentally examine whether decision makers are prone to substitute existing alliance partners by alternative ones, which we define as 'partner switch'. The preliminary results of our study show that while executives do consider outside options to existing alliances, the presence of both relational embeddedness with existing partners and prior partner-specific investments constitute substantial social and economic barriers to partner switching. In addition, we found that if decision makers are operating in uncertain industries, the barriers to partner switch are significantly moderated.

## A Comparison of Relational Practices in Additive Manufacturing Multipartner Alliances in France and the UK

Benoit Tezenas du Montcel, *National Conservatory of Arts and Crafts*  
Tim Minshall, *University of Cambridge*  
Charles Featherston, *University of Cambridge*

Drawing on literature and two case studies of Multipartner Alliances for 3D printing in France and the UK, we investigate how actors interact in inter-organizational multipartner cooperation contexts. We highlight a specific multipartner relational practice which is needed besides the usual integrative and distributive relational practices (i.e. value creation and value capture rationales). This multipartner relational practice is composed of three governance mechanisms: community, entrepreneurship and sub-groups, and of one negotiation strategy: consensus reaching. Both MPAs evolved following a common pattern: during the initiation phase, interactions mainly rely on community and entrepreneurship governance mechanisms with a problem solving-negotiation strategy. During the strategizing phase, the MPAs are governed by sub-group and entrepreneurship, with a consensus-based negotiation. For implementation, a sub-group and price based relational practice operate.





SESSION 1034

BEHAVIORAL PERSPECTIVES ON CORPORATE GOVERNANCE

TRACK P/O	Date	Tuesday, Sep 25
	Time	08:00 – 09:15
Paper	Room	Auditorium
Session Chair:	Shelby Gai, <i>Northwestern University</i>	

From Strategic Intent to Firm Performance: Theory and Evidence from Newly Public Firms

Razvan Lungeanu, *Northeastern University*

I draw on socio-cognitive perspectives in corporate governance to develop a theoretical model for the relationship between boards, strategy, and firm performance. Specifically, I introduce the concept of latent expertise profile as an attribute of directors and I show how latent expertise provides a basis to implement strategy expertise, and influences firm performance. Using a hand-collected longitudinal dataset of 334 firms that went public in the U.S. in 1997 (observed until 2011 for a total of 1,510 firm-year observations), this study explains (after accounting for endogeneity) when does a firm's strategic intent becomes implemented and under what conditions does implemented strategy result in better firm performance.

The Dual Effects of CEO Cognition and Social Status on Strategic Change and Performance Feedback

Songcui Hu, *University of Arizona*  
Qi Zhu, *Arizona State University*

Drawing insights from strategic leadership theory, this paper extends recent work on the behavioral theory of the firm by developing theory regarding micro-level factors that may affect the performance feedback and strategic change relationship. We investigate the dual effects of CEO cognition and social status on the relationship between performance feedback and strategic change. CEOs may embrace heterogeneity of cognition and social status due to the heterogeneity of their experience and external board ties. We find that CEOs with prior board strategic change experience are more likely to initiate strategic change, having both a main and moderating effect on strategic change; CEOs with more board ties are less likely to initiate strategic change while strengthening the effect of performance below aspiration on strategic change.

CEO Personality and Target CEO Turnover following Mergers and Acquisitions

Stevo Pavicevic, *Frankfurt School of Finance & Management*  
Taco Reus, *Erasmus University Rotterdam*  
Erik Roelofsen, *Erasmus University Rotterdam*

Scholars commonly argue that situational and firm conditions matter when it comes to CEO turnover. Yet, whether a CEO stays or leaves inherently is also a very personal and inter-personal decision, particularly in the delicate period following mergers and acquisitions (M&As). Building on personality theory, we posit that, compared to less extraverted acquiring CEOs, more extraverted acquiring CEOs likely have greater appeal to their recently acquired counterparts, increasing the likelihood that target CEOs stay with newly combined firms. In contrast, compared to less extraverted target CEOs, we expect that more extraverted target CEOs will have more outside options, increasing the likelihood that they leave the newly combined firm. We find support for these effects, and that interpersonal dynamics shape these effects in important ways.

Board Political Capital Building in Response to Performance Shortfalls: A Behavioral Theory of Director Selection

Renfei Gao, *University of Melbourne*  
Geoffrey Martin, *University of Melbourne*  
Jane Lu, *CEIBS*

While research typically emphasizes the role of board capital in mitigating uncertainty, we highlight that board political capital could be a source of uncertainty. Drawing on the behavioral theory of the firm (BTOF), this study interprets board political capital building as a form of problemistic search – pursuing potential gains while taking higher risks. In the context of director selection, we propose that firms performing below aspirations are more inclined to appoint new independent directors with political backgrounds. We find support for this argument based on data on 898 Chinese listed manufacturing firms. Our study offers the insight that director selection is not simply based on the anticipated functional benefits from candidates, but may represent a balance between such benefits and the potential downside effects.

SESSION 1035

STRATEGY AND ORGANIZATIONAL LEARNING

TRACK P	Date	Tuesday, Sep 25
	Time	08:00 – 09:15
Paper	Room	Studio A
Session Chair:	Sunkee Lee, <i>Carnegie Mellon University</i>	

Performance Attribution Ambiguity and Organizational Learning

Zhi Cao, *University of Wisconsin-Madison*  
Sangyun Kim, *University of Wisconsin-Madison*

Performance feedback is one of the central components in organizational learning. While many studies assume no ambiguity in interpreting firm performance, recent studies argue for the importance of performance feedback ambiguity. The literature has suggested two stages that firms interpret performance: compare performance to the aspiration level; attribute performance to certain causes. Accordingly, we identify two types of ambiguity: aspiration ambiguity; performance attribution ambiguity. While aspiration ambiguity has been recently highlighted, performance attribution ambiguity has received scant attention. To fill this gap, this study explores the effect of performance attribution ambiguity on organizational learning. Leveraging computational modeling, we find that explorative learning tends to increase when firms attribute their performance more to internal causes than to external causes.

How Human Capital Shapes Responsiveness to Performance Feedback: Evidence from US Mutual Fund Industry

Vibha Gaba, *INSEAD*  
Sunkee Lee, *Carnegie Mellon University*  
Philipp Meyer-Doyle, *INSEAD*  
Amy Zhao-Ding, *INSEAD*

This paper integrates the literatures on performance feedback and human capital to explore how managers' human capital shape responsiveness to performance feedback. We develop and test theory about responsiveness to performance feedback that highlights the role of decision-makers who interpret the feedback, specifying how their prior career experiences influence their propensity to initiate change. Specifically, we hypothesize that the magnitude and diversity of prior work experience as well as the perceived status of the organization in which the managers worked and prior successes/failures influence their interpretation of and reactions to performance feedback. We test our theory using micro-data on US mutual fund managers and their investment behavior. Our paper contributes to the literatures on performance feedback, strategic human capital, and the microfoundations of the RBV.

## Low Performance, Self-Enhancement, and Strategic Change: Moderating Roles of Diversification and Bright Spots

Elizabeth Lim, *Georgia State University*

Pino Audia, *Dartmouth College*

Performance feedback theory assumes decision-makers facing firm performance below aspirations engage in problemistic search leading to strategic change. However, self-enhancement theory predicts decision-makers adopt less search and change to preserve a positive self-image. We extend understanding of the relationship between performance and strategic change by examining features of decision-making contexts prompting self-enhancing responses. Specifically, we focus on moderating influences of product and geographic diversification and bright spots (defined as greatest year-on-year sales increases in product or geographic segments among the firm's respective diversified portfolios) on the relationship between low performance and strategic change. We argue diversification and bright spots create opportunities for self-enhancing interpretations that attenuate the baseline relationship due to diverse factors that contribute to ambiguity in performance evaluations. Our hypotheses are largely supported.

## Building on Successes and Failures: Evidence from Pharmaceutical R&D Projects

Daniela Silvestri, *KU Leuven*

Bart Leten, *KU Leuven*

Massimo Riccaboni, *IMT School for Advanced Studies Lucca*

Innovation is a cumulative process where organizations build on existing knowledge and experience. This study examines the extent to which companies engaging in drug development projects benefit from experience with previous—successful or failed—related drug development efforts, i.e. prior projects in which the underlying patent is cited or reused by the patent exploited in the current development project. Utilizing comprehensive information on pharmaceutical firms' drug development projects, our preliminary results indicate that projects referring to previous successes in same and different therapeutic fields have a higher likelihood to generate marketable drugs, while building on prior failures reduces this likelihood. We also find different effects of own versus others' experiences, with direct experience that has an important role on the probability of success.



## SESSION 891

**IS DEMOCRACY UNDER THREAT?**

<b>TRACK PLENARY</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	09:30 – 10:30
<b>Plenary Panel</b>	<b>Room</b>	Scene BC

**Session Leader**

Bruce Kogut, *Columbia University*

**Panelists**

Bo Rothstein, *University of Gothenburg*

Luigi Zingales, *University of Chicago*

Business and governments are often partners, sometimes for the good, all too often for the bad. They are frequently derided by populists and by politicians of the left and right for placing their self-interest above societal interest. Yet, they are also viewed as the only countervailing global force to the deglobalizing rhetoric by nationalists. This panel features a debate among these different views, one holding that business corrupts the state and the state corrupts business especially in industries of political salience, such as the media. Another view does not reject this view, but offers an analysis of the sources of independent power when states and governments are successful in pursuing goals of societal interest. Bruce Kogut will moderate this discussion between Bo Rothstein and Luigi Zingales.



**BRUCE KOGUT** is the Sanford C. Bernstein & Co. Professor at Columbia Business School, Columbia University and previously held chairs at the Wharton School and INSEAD. Bruce Kogut has degrees from the University of California, Berkeley; Columbia University, and MIT, and was awarded an honorary doctorate from the Stockholm School of Economics. He was an early contributor to the domain of global strategy, to which he contributed

formally and empirically the idea that multinational firm networks provide valuable real options on the higher volatility arising from cross-border investments. His articles on joint ventures, culture and direct investment, and knowledge were recognized by journal prizes, including one from the Strategic Management Journal. He is currently working on governance and global networks, as well as public economic policies and ideologies. Pedagogically, he led the emerging markets program at Wharton and founded the social entrepreneurship program at INSEAD.



**BO ROTHSTEIN** holds the August Röhss Chair in Political Science at University of Gothenburg and is the co-founder of the Quality of Government Institute. In 2016 and 2017, he served as Professor of Government and Public Policy at University of Oxford. Rothstein took his PhD in Political Science at Lund University in 1986 and before coming to Gothenburg in 1995, he worked as a researcher at the Department of Government at Uppsala University. He has been

a Visiting Scholar at the Russell Sage Foundation, Collegium Budapest for Advanced Study, Harvard University, University of Washington-Seattle, Cornell University, Stellenbosch Institute for Advanced Study, the Australian National University and Stanford University. He is the author of several books, including his most recent book, *Making Sense of Corruption* (together with Aiysha Varraich) which was published by Cambridge University Press in March 2017. Since 2012 he is a member of the Royal Swedish Academy of Sciences.



**LUIGI ZINGALES** is the McCormack Distinguished Service Professor of Entrepreneurship and Finance at the University of Chicago Booth School of Business and director of the Stigler Center. In 2014 he was President of the American Finance Association. His research interests span from corporate governance to financial development, from political economy to the economic effects of culture. In 2011 he was one of the first to see the parallelism

between Berlusconi and Trump (<https://www.city-journal.org/html/dodging-trump-bullet-10850.html>). In *A Capitalism for the People* (2012) he describes how the U.S. economy is degenerating into a form of crony capitalism very similar to the one of his native Italy, where Berlusconi emerged.

## SESSION 954

## INTERNATIONALIZING DIGITAL BUSINESS MODELS

TRACK PLENARY	Date	Tuesday, Sep 25
	Time	09:30 – 10:30
Plenary Panel	Room	Scene A

## Session Leader

Andrew Shipilov, *INSEAD*

## Panelists

Nicolas Brusson, *BlaBlaCar*

Carlos Menendez, *Mastercard*

Corinne Vigreux, *TomTom*

In the past, companies needed decades to build their international footprint. Now it seems that digital technologies have eliminated barriers for moving a business model from one country to another. Or have they? Does digital force us to rethink traditional internationalization models, create opportunities for model refinement or we should keep our models as is? In this session we will discuss with senior leaders from financial, transport and navigation sectors how internationalization happens in the digital age, what factors make internationalization of digital business models easier and where barriers to internationalization still remain. We will also examine whether digital has lowered the need for alliances and partnerships to reach international markets or whether collaboration still remains an important vehicle for internationalization.



**ANDREW SHIPILOV** is a Professor of Strategy and the John H Loudon Chair of International Management at INSEAD. In 2014, Professor Shipilov received an Emerging Scholar Award from the Strategic Management Society. He is an expert in the areas of strategy, innovation, and networks. His current academic research examines how social networks, strategic alliances, and partnerships affect firm's competitive advantage. He is a co-author of

"Network Advantage: How to Unlock Value from Your Alliances and Partnerships" (Wiley). Professor Shipilov's work has been published in the leading management journals including the Academy of Management Journal, Administrative Science Quarterly, Organization Science, Social Networks, Strategic Organization, Industrial and Corporate Change, Managerial and Decision Economics. He also published in Harvard Business Review, MIT Sloan Management Review, and Talent Management Magazine. Prof. Shipilov is now Associate Editor of Strategic Management Journal.



**NICOLAS BRUSSON** is the CEO and co-founder of BlaBlaCar. Prior to becoming Chief Executive Officer in October 2016, Nicolas oversaw BlaBlaCar's global operations and international growth as Chief Operating Officer since 2011. He led the company's corporate development, overseeing eight acquisitions, expansion to twenty markets, and three successive rounds of fundraising. Nicolas is a strong advocate of agile structures that allow quick iterations in fast-growing environments. He is also a supporter of autonomous local teams and acqui-hires, a strategy he implemented to expand BlaBlaCar's footprint on a global scale. Prior to joining BlaBlaCar, Nicolas worked for several startups in Silicon Valley during the dotcom boom, before moving on to executive and investor roles, including spending time as a Venture Capitalist at Amadeus Capital Partners in London. He holds an MBA from INSEAD, a Masters in Optics from Ecole Supérieure d'Optique and a Masters in Applied Physics from Paris XI University.



**CARLOS J. MENENDEZ** is president, Enterprise Partnerships, for Mastercard. In this role, Mr. Menendez is responsible for expanding the company's operations globally with select partnerships in the Smart Cities, Merchant, Travel and the B2B space; plus Global Relationship lead for HSBC and Western Union. He is also responsible for driving enterprise-wide partnership strategy and innovation in new industries, helping Mastercard to use its technology and data insights in new ways for a host of diverse retail, business and government partners. Mr. Menendez joined Mastercard in 2010 and was, most recently, group executive, Global Credit and Debit. Prior to joining Mastercard, Mr. Menendez held a number of positions at Citigroup, where he worked for more than 14 years. Mr. Menendez holds a Bachelor of Arts in Economics from Harvard University, a Master of Arts in International Studies from the University of Pennsylvania, and a Master of Business Administration from The Wharton School.



**CORINNE VIGREUX** is a Co-Founder of TomTom, the navigation and map-making company that continues to design and develop cutting edge technologies solving mobility problems and addressing the challenges of autonomous driving and smart cities. Voted as one of the top fifty most inspirational women in European tech, Corinne champions women in the workforce and passionately advocates for improved social mobility through education. She has just founded Codam, a not for profit coding college based on the famous Ecole 42 curriculum and ethos. Codam opens its doors in September 2018 in the heart of Amsterdam. Corinne is a member of the supervisory board of takeaway.com NV and Groupe ILIAD in France, member of the supervisory board of the Dutch National Opera & Ballet and advisor to the Amsterdam Economic Board. Corinne was made Chevalier de la Legion d'Honneur in 2012 and knighted in the Royal Order of Orange-Nassau in 2016.





## SESSION 955

## ECOSYSTEMS IN THE AUTOMOTIVE INDUSTRY

## TRACK PLENARY

Date Tuesday, Sep 25

Time 09:30 – 10:30

## Plenary Panel

Room Auditorium

## Session Leader

Michael G. Jacobides, *London Business School*

## Panelists

Laurent Kocher, *Keolis*Jörg Lamparter, *Daimler Financial Services AG*Nikolaus Lang, *Boston Consulting Group*Arwen Smit, *DOVU*

One of the sectors which has most been transformed in the past few years is mobility. After a long period of stability, with clear industry boundaries and a clear separation between the segments in the mobility sector, new technologies, changing customer expectations and resulting in new business models, as well as the evolution of societal needs, have led to new ecosystem structures which are redefining the competitive landscape. There is a plethora of ambitious start-ups or firms invading from other industries, and investors heavily betting on these ecosystems. Existing players engage in far-reaching changes, creating webs of partnerships and investments, to completely redefine their value proposition and business model. During the session, a set of mobility experts with diverse backgrounds will share their views on what is driving this strategic transformation, examine the strategic implications of these changes for the different players, and discuss how private and public sector need to work together to create sustainable mobility ecosystems. These ecosystems have not only the power to drive corporate success but also the ability to tackle major societal problems such as congestion, pollution and global warming. Through discussion of cutting-edge practices and ideas we aim to shed light not only on this sector, but also on the ways in which strategymaking needs to change to adjust to disruption, sectoral transformation and ecosystem emergence in the economy overall.



**MICHAEL JACOBIDES** holds the Sir Donald Gordon Chair of Entrepreneurship & Innovation at the London Business School, where he is Associate Professor of Strategy. He has held visiting appointments at Wharton, Harvard Business School, NYU-Stern, has visited Bocconi, U. of Paris and Singapore Management University, and teaches in Columbia for the LBS/Columbia EMBA-Global. He has served on the Global Agenda Council of the World Economic

Forum on the Financial System and the Future of Investments, and is a Visiting Scholar with the New York Fed, focusing on changing business models in Financial Services. He studied in Athens, Cambridge, Stanford and Wharton, where he obtained his PhD.



**LAURENT KOCHER** is Executive Vice President of New Mobility, Digital, and Strategy at Keolis. His previous positions include General Manager France at Atos Group, director of Business Customers at France Télécom-Orange Business Services, and various senior position at IBM. He has more than 20 years of experience in the services sector. Laurent Kocher is a graduate of Ecole Polytechnique (1986–1989).



**JÖRG LAMPARTER** is Head of Mobility Services at Daimler Financial Services AG since 2017. He oversees the brands car2go, moovel, and mytaxi, along with managing Daimler's partnerships with Blacklane and FlixBus. Prior to that, Jörg Lamparter served as the Chief Executive Officer of moovel Group. He was responsible for developing and marketing the moovel mobility app, as well as managing the U.S. subsidiaries of moovel Group GmbH,

RideScout and GlobeSherpa. Jörg Lamparter graduated from the University of Stuttgart with a degree in technical business administration (1992–1996).



**NIKOLAUS LANG** is the global leader of The Boston Consulting Group's Global Advantage practice. He is also the firm's topic leader for mobility, connectivity, and self-driving vehicles; a core member of the firm's Industrial Goods and Automotive practices; and a BCG Fellow whose research is focused on "collaboration in the digital age." For the past five years, Nikolaus has been leading BCG's collaboration with the World Economic Forum on connected,

autonomous, and urban mobility. In addition, he coleads BCG's Center for Digital in Automotive, which helps mobilityrelated companies and institutions build new businesses and prepare them for the digital age. Nikolaus has spent ten years in Asia and has worked in most of the world's emerging markets. He strongly believes that globalization without localization cannot succeed. Before joining BCG, Nikolaus worked in the corporate strategy department of the Austrian trading firm Bank Austria Handelsholding.



**ARWEN SMIT** is the Co-founder and CMO of DOVU, a blockchain-powered market for transport data. She co-founded DOVU after working as entrepreneur-in-residence at InMotion, the accelerator of Jaguar Land Rover. Active in the technology scene in Europe, Arwen Smit has worked on the business side of established and growing technology companies in various roles, including at Facebook and Google. Arwen Smit has a BSc from Rotterdam

School of Management (2010–2013) and an MSc from Stockholm School of Economics (2013–2015).

10:30 – 11:00

COFFEE BREAK (SPONSORED BY ESSEC BUSINESS SCHOOL)

## SESSION 1016

## NOVEL DATA FOR STAKEHOLDER ANALYSIS

TRACK A/M	Date	Tuesday, Sep 25
	Time	11:00 – 12:15
Common Ground	Room	Studio E

Session Facilitator: Caroline Flammer, *Boston University*

### Two-sided Firm-Stakeholder Relationships: Evidence from Corporate Tweets on Sustainability

Eun-Hee Kim, *Fordham University*

Yoo Na Youm, *Loyola University Chicago*

A growing interest in corporate ESG (Environmental, Social, and Governance) metrics has brought about an unintended consequence. "Environment" is increasingly considered as a unified construct among general practitioners and scholars. We decompose corporate environmental initiatives into those that address environmental risks, negative environmental externalities caused by firms, and those that take advantage of environmental opportunities and align firm strategies with the changing external environment that demands greater environmental sustainability. In doing so, we build on and extend recent work that highlights the two-sided nature of firm-stakeholder relationships by exploring alternative ways to address stakeholder concerns. We argue that environmental risks vs. opportunities have different strategic and financial implications, and find that securities analysts view environmental opportunities positively whereas unnecessary investments to address environmental risks negatively.

### Riding the Storm or Going Ashore? Constructing Corporate Political Connections in Turbulent Political Environments

Han Jiang, *University of Arizona*

Nan Jia, *University of Southern California*

Garry Bruton, *Texas Christian University*

Tao Bai, *Xi'an Jiaotong-Liverpool University*

It remains reticent about how firms manage political connections when turbulence in the political environment makes it difficult to predict political power shifts and identify the "right" contacts. We address this gap by distinguishing the firm's action of adding new political connections from that of removing existing political connections. While a firm removes more existing political connections as the political environment becomes more turbulent, the firm's addition of new political connections exhibits an inverted U-shaped relationship with regard to the degree of political turbulence. These effects are further shifted by the firm's dependence on the government and the strength of the firm's business networks. We test of our theory with the evidence from the anti-corruption campaigns in China since 2012.

### Fitting Strategy to Structure: Antecedents and Consequences of Cross-sector Partnerships

Aline Gatignon, *University of Pennsylvania*

Christiane Bode, *Bocconi University*

Cross-sector partnerships have attracted interest as a way for corporations to help address grand societal challenges, particularly in emerging markets where these challenges often impede firms from doing business. We seek to determine what types of firms choose to partner with non-profit organizations when designing their CSR programs, and what impact this choice can have on the scale and scope of these initiatives. The Indian government's 2013 amendment to the companies Act provides a unique opportunity to answer these questions. It mandates that 15,000 of the largest companies in India make contributions to CSR activities and report on these in their tax returns. Through a longitudinal analysis of these data, we distinguish the antecedents and impact of CSR choices made by different types of firms.

### The Use of Corrupt Nonmarket Strategies in the Oil and Gas Sector

Armando Castro, *London School of Economics*

Nelson Phillips, *Imperial College London*

The dark side of nonmarket strategies has seldom been discussed by strategy scholars. In this paper we analyse one of the most publicized corruption investigations in the world known as the "Lava Jato" (Car Wash) and the nonmarket strategies employed by the participants of the scandal to maintain corrupt relationships. We use non-traditional data drawn from publicly available and verifiable court decisions, plea agreements and parliamentary commission of inquiry. This offers us chance to analyze participant's corruption in action. We identify the norms, and strategies were essential for the maintenance of cartel and for the enactment of the strategies. We extend the non-market strategy literature by identifying the corrupt strategies and the nexus between group stability and the adoption of a collective non market strategy.

### The Effect of Uncertainty on Corporate Social Responsibility: Studying Shocks to the Oil-related Industries

Dan Zhao, *University of Michigan*

Integrating the real options perspective into the Corporate Social Responsibility (CSR) literature, I hypothesize that a firm postpones CSR investment when uncertainty in its environment increases, whether this increase corresponds to an improving or deteriorating financial position. I also hypothesize that government policies stipulating explicit expectations that supersede prior voluntary commitments reduce firms' CSR investment through reducing the perceived voluntariness and hence financial return of CSR. I find support for my hypotheses studying firms in the oil-related industries during 1997-2010, which went through numerous external shocks, including oil price spikes and crashes, and the Energy Policy Act aimed at boosting alternative energy adoption. These mechanisms are distinct from the extant slack resources and "CSR as insurance" theories and imply an unintended effect of public policies.

### Reverse Regulation? How Global Credit Rating Agencies Constrain Election-Year Borrowing By National Governments

Paul Vaaler, *University of Minnesota*

Marek Hanusch, *The World Bank*

Regulatory theory assumes that governments constrain firm strategies creating negative welfare effects, but the reverse could be true, particularly in international contexts. Firms operating globally may contribute to transnational regimes curbing national government policies contrary to global business norms. We illustrate such "reverse regulation" with credit rating agencies (CRAs) and their influence on apparently excessive borrowing by national governments during election years. Analyses of budget balances for 63 governments holding 111 executive elections from 2001-2011 indicate that governments borrow less excessively during election years when CRAs put them on watch for rating downgrade, which hurts short-term re-election prospects and raises long-term borrowing costs. CRAs and other firms may help check populist national government policies threatening global business norms and economic development policies they support.



SESSION 965  
REVISITING RESEARCH AT THE BOP

TRACK D	Date	Tuesday, Sep 25
	Time	11:00 – 12:15
Paper	Room	Forum C

Session Chair: Jonathan Doh, Villanova University

The Evolution of the BoP Concept since 2002: A Systematic Literature Review and Analysis

Danielle Chmielewski, University of Melbourne  
Krzysztof Dembek, University of Melbourne  
Nagaraj Sivasubramaniam, Duquesne University

In this paper, we seek to examine the question: To what extent has the BoP concept evolved since Prahalad and Hart’s seminal 2002 paper, and has it fulfilled its initial promise of profitably serving the poor whilst alleviating poverty? We conducted a systematic review of 287 papers published in journals between 2002 and 2016. We utilized multiple correspondence analysis to examine the patterns in categorical data. Our review and subsequent analysis points to a lack of clear evidence that the BoP concept has delivered on its promise either to businesses (that they can serve BoP markets profitably) or to BoP participants (that involvement by multinational corporations will help alleviate poverty).

Uneven Development in the Era of De-Globalization: Agent-based Simulation Modeling for MNE Location Choices

Haruo Hagiwara Horaguchi, Hosei University  
Toichiro Susumago, Japan Advanced Institute of Science and Technology

We examine the global location strategy through agent-based simulation modeling. In our model, agents search for national markets using the Hotelling’s location model algorithm. Simulation results showed that the periphery of the global market was not chosen by the MNEs. We thus support a proposition that the optimal location strategy of MNEs will not be directed to the peripheral countries. So long as the private investment dominates the world investment flow, the peripheral countries will suffer the shortage of private investment. Even though “Emerging Economies” would absorb the foreign direct investment (FDI) from the MNEs, “Least Developed Countries” might stay in the situation of paucity in FDI. This proposition suggests the needs of public assistance to redirect the flow of FDI to the peripheral countries.

Internal Corporate Venturing for a Better World: How Emotions Enable BoP Venturing Inside a MNC

Thijs Geradts, Erasmus University Rotterdam

Through an inductive case-based research design this study explores how emotions play a role when product champions develop new ventures at the BoP inside a MNC. We observed that the development of BoP ventures uniquely benefitted from emotions in multiple ways. Through social distending, we find that emotions enabled product champions to overcome internal and external challenges. Through coalition building, we find that emotions enabled product champions to gather support and resources while standard processes and systems prevented them from doing so. Through shoehorning the venture, we find that emotions enabled product champions to gain support without immediate evidence of profitability. As such, our study unveils how emotions may be assistive to advance innovations that address the needs of the disenfranchised at the BoP.

SESSION 985  
COGNITION

TRACK E	Date	Tuesday, Sep 25
	Time	11:00 – 12:15
Common Ground	Room	Studio G+H

Session Facilitator: Anoop Menon, University of Pennsylvania

Incumbent Repositioning with Decision Biases

Xianjin Du, Hefei University of Technology  
Meng Li, Rutgers University  
Brian Wu, University of Michigan

Incumbent firms often reposition themselves in response to competitive entrants, but when doing so the firm incurs repositioning costs. To model strategic interactions between incumbents and entrants this article proposes an approach that incorporates both repositioning costs and associated decision biases, which have been identified in the economics and strategy literatures as critical aspects of strategic change, but have been largely ignored in game-theoretic treatments at the strategy level. Using formal models, we analytically characterize the impacts of repositioning costs and biases on firms’ equilibrium strategies and profits. Including these costs and biases changes the nature of strategic dynamics as well as introduces new implications for strategic choice.

The Causes of Managerial Cognition in Competitors and Its Effect on Competitive Response

Kenichi Shibata, University of Tsukuba  
Toru Hirasaka, Data Engineering Consultant  
Hirofumi Tatsumoto, Graduate School of Business Sciences, University of Tsukuba

This study deals with the cognition managers have with regard to the competitive actions and responses of companies in the U.S. airline industry. We analyzed earnings conference call transcripts to gauge managerial awareness of the competition. Together with the data pertaining to the competitive responses logged against competitors’ actions collected from industry news sources, we found that as management is more aware of a competitor in general, it is more likely to respond to the competitive actions taken by such competitor. We also found that a manager’s awareness of a competitor’s actions is influenced by the relative size of each company and the level of similarity between their business models.

Rationalizing Outcomes: Mental-Model-Guided Learning in Competitive Markets

Anoop Menon, University of Pennsylvania  
Dennis Yao, Harvard University

This paper explores how the competitive market interactions between agents with different mental models can lead to dysfunctional learning, which can in turn have significant implications for the outcomes of the interactions. We develop a simulation model where two agents with different mental models compete over many periods, with the decisions of one period leading to market outcomes that are then used to recalibrate the mental models, which in turn are used to make the decisions in the following period. Three model variants, exploring different mental models about the demand structure, the cost structure, and the market structure are studied, and they generate some counter-intuitive results. The insights from the models are used to interpret three different episodes from business history.

## Playing Games in Unpredictable Environments: Heuristics to Cope With Strategic Uncertainty in Banking

Timo Ehrig, *Max Planck Institute for Mathematics in the Sciences*  
Konstantinos Katsikopoulos, *Max Planck Institute for Human Development*

Gerd Gigerenzer, *Max-Planck-Institute of Human Development*

Juergen Jost, *Max Planck Institute for Mathematics in the Sciences*

Heuristics have been proposed to constitute strategy in unpredictable environments. In banking, uncertainty often arises from unknown actions of other market participants and extends beyond mere risk, as probabilities of outcomes are not known. To identify heuristics used for dealing with such uncertainty, we interviewed investment and central bankers in an exploratory study. We found that bankers search for suitable cognitive representations of competitors, make inferences to gauge opponents, and are alarmed when they see too much agreement in the market. The identified heuristics reveal gaps in our understanding of strategic interaction in both the research programs on fast and frugal heuristics and simple rules for strategy. We conclude with comments on the emerging theory of strategic interaction in unpredictable environments.

## Does It Pay Off to Stretch Attention Scope? Strategic Goal Repertoire, Environmental Dynamism, and Performance

Mirjam Goudsmit, *University of New South Wales*

George Shinkle, *University of New South Wales*

Feifei Yang, *University of New South Wales*

How does environmental dynamism influence the effectiveness of multiple strategic goals? We conceptualize a strategic goal repertoire scope that includes different performance goal categories that may vary in intensity and focus (breadth). Building on the goal-setting and complexity literatures, we hypothesize that the scope of multiple organizational goals has important consequences for firms and that environmental dynamism moderates this effect. Hypotheses are tested via multi-country survey data from top executives reporting on 203 firms operating in different industries. Preliminary findings show strong moderating effects where performance benefits from goal repertoire intensity and focus varies across different dynamic settings. Contributions to the goal-setting literature include more insight into effects of multiple goals in varying dynamic environments.

## Winner-Take-All Dynamics Revisited: Positive Feedback in the Presence of Decaying Memory

Sanghyun Park, *Seoul National University*

Hart Posen, *University of Wisconsin-Madison*

Jeho Lee, *Seoul National University*

In the literature on network effects, there is an unresolved controversy regarding the possibility that markets may lock into an inferior technology. Critics point to the lack of compelling examples of lock-in in reality. We develop a winner-take-all model with decaying memory such that early adopters are less important than recent adopters in influencing subsequent adoptions. When memory decays, the possibility of lock-in to an inferior technology is substantially attenuated. The time to reach a steady state grows hyperbolically, providing the opportunity for the market to overcome historical chance events, redressing premature lock-in.

## SESSION 1070

## FIRM SCOPE: CORPORATE ACQUISITION AND DIVESTITURE

### TRACK F

Date Tuesday, Sep 25

Time 11:00 – 12:15

### Paper

Room Scene G+H

Session Chair: Patia McGrath, *University of North Carolina at Chapel Hill*

## What Firms Do Versus What Markets Reward: The Case of Divestiture

Patia McGrath, *University of North Carolina at Chapel Hill*

This study examines the potential misalignment between what firms do and what markets reward in the context of divestiture. Using firm divestiture experience as a proxy for firm mastery of divestiture process execution, we identify that experienced firms execute divestitures in ways—as per the size, speed and flexibility of the process—that garner negative market reactions. However, more experienced firms are shown to earn higher abnormal returns associated with their divestitures, evidencing that more experienced firms better appreciate the market's divestiture expectations. We suggest that this exemplifies firms' learning to navigate the tension between internal needs and external expectations that surfaces in corporate strategy execution. We test our predictions using a cross-industry sample of 14,032 divestitures announced by public, U.S.-headquartered firms over twenty-six years.

## An Examination of Firms' Inducements and Opportunities to Implement Discontinuous Strategic Renewal

Sandip Basu, *City University of New York*

Helaine Korn, *City University of New York*

Discontinuous strategic renewal involves a fundamental change in firms' core businesses. We seek to understand why and when firms undertake such renewal despite the significant risks involved. Using an inducements-opportunities framework, we argue that poor firm performance and incremental change experience create stronger inducements whereas greater firm scope creates more opportunities for firms to undertake discontinuous renewal. The contrasting inducements are substitutive whereas the inducements and opportunities are complementary in influencing renewal. We test our predictions using longitudinal data on 457 Fortune 500 firms of which 66 undertook discontinuous strategic renewal during 1990-2010. We discuss the implications of our results for research on corporate entrepreneurship, organizational search, dynamic capabilities, and real options.

## A Competing Risks Analysis of Two Interrelated Strategies: Making an Acquisition and/or Being Acquired

Zafeira Kasrtinaki, *Brunel University London*

We examine whether the two strategies, making an acquisition and being acquired, are interrelated and identify the factors influence each. A dependent competing risks model, estimated using UK data over 2008-2017, shows a firm can act strategically with a strategy of "attack", through making acquisitions, being the best form of defence against being acquired. Powerful CEOs are more likely to make an acquisition and less likely to accept a takeover bid and sale their firm. It is also found firm misvaluation and size to be the main determinants of the identity of acquiring and acquired firms.





## SESSION 1124

**ORGANIZATIONAL LEARNING, CAPABILITY DEVELOPMENT, AND PERFORMANCE**

<b>TRACK G</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Studio F

**Session Chair:** Vikas Kumar, *University of Sydney*

**Adaptation Experience and New Foreign Market Entry: A Dynamic Capability Perspective**

Ilya Cuyppers, *Singapore Management University*  
 Ralf Wilden, *Macquarie University*  
 Weiqiang Tang, *University of South Australia*  
 Mariano Heyden, *Monash University*

Building on insights from the dynamic capabilities and experiential learning literatures we try to shed new light on MNEs location choices by developing predictions concerning the effect of adaptation experience on the likelihood that a MNE enters a new potential host market. Namely, we propose that geographic adaptation experience and product adaptation experience increase the likelihood of a MNE entering a new potential foreign market. Moreover, we propose that the level of environmental uncertainty and volatility as well as how distant the potential host market is from the MNE's home country act as important contingency factors of these effects. We find general support for our predictions using a sample covering 12,207 firms originating from 48 different home countries over a 7-year period.

**Firm and Portfolio Characteristics Effects on CVC Investors' Performance in a Global Context**

Mohammad Taghi Ramezan Zadeh, *Erasmus University Rotterdam*  
 Henk Volberda, *Erasmus University Rotterdam*

Literature underscores the utilities of Corporate Venture Capital (CVC) for established firms. Extending this line of research, we investigate the conditions under which a firm's investment in entrepreneurial companies through CVC activities influences its performance. In doing so, we hypothesize a moderated relationship between the number of CVC investments within a CVC portfolio and the corporate investor's performance. We examine firm- and portfolio-specific characteristics as the moderators of the main effect. Through analyzing a panel data of 105 firms from 1997 to 2013, we find that R&D intensity, as a firm-level characteristics, positively moderates the main relationship. In a global setting, we also find different effects of the CVC portfolio-investor cultural distance, as a portfolio characteristic, on the investors' performance regarding investor's firm-level characteristics.

**How Do Firms Learn By Exporting?**

Elena Golovko, *Tilburg University*  
 Giovanni Valentini, *IESE Business School*

We examine the effect of exporting on firm performance in search for a better understanding of the process underlying the so-called 'learning by exporting' phenomenon. Two types of learning can be identified that might take place in export markets: market learning and technological learning. We hypothesize that for technological learning to materialize, merely benefiting from informal knowledge spillovers in export markets is not enough. Empirically, we show that engaging in formal technology transfers has an effect on firm performance – over and above (and different from) that of exporting. Furthermore, both technological and market learning realize in higher productivity. Yet, for technological learning to happen and be persistent, formal technology transfers are necessary, and exporting per se does not help.

**Speed of Internationalization and Performance: Role of Degree of Internationalization, Family and Foreign Ownership**

Saptarshi Purkayastha, *Indian Institute of Management Calcutta*  
 Vikas Kumar, *University of Sydney*

Rapid internationalization constrains firms capacity to absorb the expansion, however, provides with quick access to global markets and valuable resources. This is especially true in the context of emerging market firms. We explore the relationship between the speed of internationalization and firm performance and argue for a U-shaped relationship in the context of emerging market firm internationalization. We then investigate the moderating effects of degree of internationalization of the firm, level of family and foreign ownership on the main posited relationship. We test our hypotheses using a unique data set of 982 Indian firms, collating data from Prowess, RBI and company annual reports. Our results largely support our predictions. Degree of internationalization and foreign ownership have a positive moderating effect, family ownership negatively moderates.

## SESSION 1019

**INNOVATION AND USUAL AND UNUSUAL NETWORK STRUCTURES**

<b>TRACK I</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Forum G+H

**Session Chair:** Michelle Rogan, *University of North Carolina at Chapel Hill*

**Network Structure and Inventive Performance**

Dietmar Harhoff, *Max Planck Institute for Innovation and Competition*  
 Karin Hoisl, *University of Mannheim*  
 Christian Steinle, *Max Planck Institute for Innovation and Competition*

This paper analyzes how structural configurations of networks stimulate invention activities. We use survey data obtained from 1,204 inventors and 15,168 patents filed at the European Patent Office. Our results show that the size of the network and the strength of the ties are positively related to invention quantity and quality. After instrumenting the endogenous network variables, we find that not considering endogeneity leads to an overestimation of the effect of the network size and an underestimation of the effect of the strength of the network ties. Additionally, instrumental variables technique reveals that whereas the size of a network is equally important for invention quantity and quality, the strength of network ties is considerably more important (times 1.6) for quality than for quantity.

**❖ The Dark Side of Brokerage in Innovation: Quasi-experimental Evidence Using Broker Inventors' Sudden Death**

A-Sung Hong, *IESE Business School*

Previous literature has shown that individual-level brokerage can be a source of individual-level performance. However, it is not clear whether individual-level brokerage can be a source of firm-level performance because the causal effect of a broker on the brokered individuals has not been sufficiently explored. Using a quasi-experiment, we show that when a brokered inventor disappears through a sudden death, the brokered inventors and the broker's affiliated firm on average experience 19.4% and 19.6% increases in scaled citations and 3.9% and 19.1% increases in the number of patents, respectively. These positive effects of broker death mean that brokers have a negative effect before the death at both the individual and firm level. This indicates that individual-level brokerage may not be a source of firm-level performance.

## Unusual Networks and Unusual Patents

Melissa Schilling, *New York University*

Madeline King Kneeland, *New York University*

Recombination of disparate bodies of knowledge has been substantiated as an important driver behind innovation. By fusing two or more technological domains an inventor can create fruitful (and sometimes unusual) synergies. A growing body of research focuses on the characteristics of individual inventors and teams, however many of these inventors are embedded within larger organizational contexts, which gives additional opportunities for exposure to distant sources of knowledge for potential recombination. This paper will examine how collaborative networks can be a catalyst for technologically distant innovations. We focus on the direct and indirect exposure to distant sources of knowledge afforded to inventors within organizations participating in unusual alliances. Specifically, we ask: are organizations in unusual alliances more likely to create unusual or technologically distant patents?

## Influence of Structure of Knowledge Bases of Acquirer and Target Firms on Acquirer's Innovation Performance

Rajat Khanna, *Tulane University*

Moumita Das, *Ohio University*

While the structure of knowledge base of a firm has important implications for the firm's ability to pursue innovation, we know little about the role of structures of knowledge bases of an acquirer and its target firm in predicting the acquirer firm's post-acquisition innovation performance. Building on prior work, we argue that deviation from near-decomposability in structures of knowledge bases of acquirer and target firms decreases the innovation performance of the acquirer post-acquisition. We further argue that the effects of technological diversity and technological complementarity on post-acquisition innovation performance of the acquirer firm are not pervasive, but contingent on the structures of the knowledge bases of the acquirer and target firms. Using patent data in the US pharmaceutical industry, we find support for our hypotheses.

### SESSION 1105

## CONTRADICTIONS AND AMBIGUITIES IN THE PRACTICE OF STRATEGY

<b>TRACK J</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Studio A

**Session Chair:** Loizos Heracleous, *University of Warwick*

## Culturizing in Ambidextrous Organizations: A Historic Case of NASA's Rebels

Christina Wawarta, *University of Warwick*

Loizos Heracleous, *University of Warwick*

Sotirios Paroutis, *University of Warwick*

Organizational subcultures and their practices are integral to operationalizing the competing demands of ambidexterity. We explored how the culturizing practices of a NASA sub-culture called the "Rebels" (disguised name), interacted with the official culture of the organization in pursuit of an ambidextrous element. We contribute by unpacking enabling and inhibiting types of culturizing practices; and by developing a conceptual framework of cultural oscillation in pursuit of ambidexterity.

## When the Future is the Past Yet to Arrive: The Duality Between Tradition and Innovation

Margarita Cruz, *University of Applied Sciences Western Switzerland*

Achim Schmitt, *University of Applied Sciences Western Switzerland*

Scholars have increasingly argued that companies need to be flexible, adaptive, and innovative while remaining reliable and consistent. For family firms, this challenge results in a paradox known as the "tradition versus innovation" dilemma. The present paper adopts a duality perspective and tests this paradoxical relationship in a sample of more than 300 family-owned beer producers in Bavaria. During the period of 1989 and 2012, we analyze the success of product portfolio configurations ranging from traditional to innovative beer types. Our results suggest that breweries drawing on their past tradition when launching new beer types have a high likelihood of positive firm performance and lower mortality rates. We thus contribute to the resolution and management of firms' strategic paradoxes.

## Strategy Description in High-Tech Firms and Analyst Coverage

Wolfgang Sofka, *Copenhagen Business School*

Florian Noseleit, *University of Groningen*

Daniela Blettner, *Simon Fraser University*

Pedro de Faria, *University of Groningen*

High-tech firms rely on analyst coverage to attract financial resources. When it comes to the strategy descriptions that firms prepare for analysts and stakeholders, high-tech firms face a dilemma of how much information to reveal. An indicator of how firms manage this dilemma may be the extent to which high-tech use complex language in the descriptions of their strategies. In our study of the pharmaceutical industry, we find a curvilinear relationship between linguistic complexity of strategy descriptions and analyst coverage. We also show how characteristics of the firms' patent and technology portfolios moderate this relationship. Our study has important implications for how high-tech firms should communicate about their strategy to achieve desired outcomes such as increased analyst coverage.

## Strategic Agility: Decision-Making Beyond Speed

Christiane Prange, *Tongji University*

Agility has become a buzzword in the recent management discourse. But despite the attention, there is little clarity of what the construct actually means and how companies can launch agile transformation projects. This article clarifies that agility goes far beyond speed and flexibility; it is the capacity for decision-making that involves slowness and reflection as survival parameters in uncertain environments. Based on a review of the literature and interviews with managers from different industries, a conceptual model (Agility Transformer) is developed that extends current notions of strategic agility by integrating the idea of reflection as a competitive advantage. The model specifies agility on three levels (resilient, versatile, transformational) and offers guidance for managers to define the required level of agility when facing different environmental scenarios.



SESSION 1092  
ENTREPRENEURSHIP TRAINING AND SUCCESS

TRACK K	Date	Tuesday, Sep 25
	Time	11:00 – 12:15
Paper	Room	Forum I+J

Session Chair: Natalie Carlson, *Columbia University*

★ **Building Transformational Potential: Evidence from a Field Experiment with Young Entrepreneurs in Zimbabwe**

Natalie Carlson, *Columbia University*  
Can targeted programming turn subsistence businesses in developing countries into sources of employment? We present experimental evidence from Zimbabwe, studying the impact of a randomized entrepreneurship training and loan referral program on 851 young entrepreneurs. Using survey data, we show that the program substantially improves measures of income, wealth, profits, and employment among treated participants. We then use the control group to present evidence that the program generates the largest improvements for the entrepreneurs with the lowest baseline propensity toward job creation. Finally, we characterize the highest-performing businesses by developing a text-based measure of business model novelty, showing that it is significantly associated with performance and employment outcomes.

**Small Changes with Big Impact: Experimental Evidence of a Scientific Approach to Decision-Making of Entrepreneurs**

Arnaldo Camuffo, *Bocconi University*  
Alfonso Gambardella, *Bocconi University*  
Chiara Spina, *Bocconi University*  
This study examines the impact of a scientific approach to decision-making on early-stage entrepreneurial firms. We argue that using a scientific approach to decision-making increases the probability to uncover false positives and false negatives associated with new business ideas. We embed a field experiment in a pre-accelerator program, and use this initiative to treat 130 entrepreneurial teams by training them on how to use a scientific approach to business development. The control group (128 entrepreneurial teams) receives the same type of training, but is not taught to use the scientific approach. Our preliminary results indicate that treated entrepreneurs are significantly more scientific in their decision-making process and more rigorous in evaluating their ideas so that they to abandon them more frequently.

✿ **How Socialization into Cooperative Interaction Frames Leads to Social Capital: Field-Experiment With Micro-Entrepreneurs In Togo**

Stefan Dimitriadis, *Harvard University*  
I study the formation of social capital among micro-entrepreneurs. Micro-entrepreneurs are small, subsistence entrepreneurs who operate in highly unstable and risky institutional environments. In these types of environments, micro-entrepreneurs find it difficult to interact with other micro-entrepreneurs in ways that are mutually beneficial and which lead to relationships that generate social capital. I theorize that framing interactions cooperatively through socialization processes can lead to interactions characterized by reciprocity. These interactions then, in spite of the broader institutional context, lead to the formation of more ties, characterized by more diversity, which then lead to stronger performance for micro-entrepreneurs' businesses. I ran a field experiment with 321 micro-entrepreneurs in Togo, a highly impoverished country in West Africa, and found support for this theory.

**Adopting a Growth Mindset through Entrepreneurial Mentorship: Evidence from a Field Experiment**

Luke Rhee, *University of California, Irvine*  
Anne-Laure Fayard, *New York University*  
We examine whether and how people can adopt a growth mindset in an entrepreneurial setting. Using a field experiment with a pre-test/post-test survey design in a university STEM-entrepreneurship program, we test whether mentors' growth mindset might influence the mentees' growth mindset during the program. We also explore the role of growth mindset for entrepreneurship by analyzing whether mentees with a growth mindset persist in improving an early-stage business idea, rather than easily giving it up in the face of negative feedback and considering another topic area. This study offers theoretical and practical implications for literature in entrepreneurship, entrepreneurship education and behavioral strategy.

SESSION 1096  
CVC FUNDING AND NEW VENTURE BEHAVIOR

TRACK K	Date	Tuesday, Sep 25
	Time	11:00 – 12:15
Paper	Room	Studio D

Session Chair: Sarath Balachandran, *University of Pennsylvania*

**Social Defenses and Selective Revealing of Ventures in Europe and Latin America**

Jan Riepe, *University of Tuebingen*  
Theresa Veer, *University of Tuebingen*  
We empirically explore the defense mechanisms of new ventures during their relation with an international corporate venture capitalist (CVC). We use proprietary data on more than 500 new ventures from the ICT industry in Europe and Latin America. We provide evidence that new ventures seek protection through third party investors and selectively reveal their proprietary information to the CVC. Our study contributes to the literature on how ventures defend themselves after forming ties with a CVC. This contribution complements the current research that predominantly focuses on defense mechanisms before tie formation. Furthermore, our findings compare ventures in very different intellectual property regimes that enriches the discussion on the relevance of intellectual property in the CVC-venture context.

✿ **Startup Innovation and Corporate Venture Capital**

Sarath Balachandran, *University of Pennsylvania*  
Startups are increasingly turning to incumbent firms in their industries for funding. Yet, our understanding of how these relationships shape entrepreneurial innovation remains sketchy. We argue that these relationships could facilitate access to resources but could also constrain startups' innovation activities, and that both these influences depend fundamentally on who in the established firm they interact with. We find that these relationships limit the technological novelty of startups' inventions. This effect is amplified if startups interact with the established firm's corporate executives but is alleviated if they interact with the established firm's scientists/technologists. We also find that these relationships help startups turn their technologies into products, and that this benefit is enhanced if they have investor representatives with well-developed networks within the established firm.

## ✿ How Competitive Tension between Spinouts and Parent Firms Affects Other Industry Incumbents' Venture Investments

Joonhyung Bae, *Purdue University*  
Joonmahn Lee, *Korea University*

Drawing on the literature on employee mobility and entrepreneurship, this study investigates how competitive tension between spinouts and parent firms influences other industry incumbents' decision to invest in spinouts. We suggest that a high level of technological overlap between a spinout and its parent firm deters other incumbents from investing in the spinout because of anticipated hostile actions by parent firms. Moreover, such negative effects can be amplified when parent firms have a strong litigiousness to claim their intellectual property rights. We further suggest that the negative effects are mitigated when incumbents can expect benefits from gaining indirect access to parent firms' technological knowledge. Using a sample of corporate venture capital investments in the U.S. medical device industry, we find evidence that supports our hypotheses.

## Resource Need as Predictor of Entrepreneurial Ventures' Ties to Established Corporates: The Case of Relatedness

Hamzeh Obeid, *Hasselt University*  
Vareska Van de Vrande, *Erasmus University Rotterdam*

This study focuses on the antecedents to the formation of ties between privately-held ventures and incumbent corporations. We focus specifically on the role of the resource needs of ventures and how these resource needs affect the relatedness of the CVC investors with whom they choose to partner. Two forms of resources are thus investigated: operational and social resources. We combine tenets from the resource-based view with resource dependence theory to argue that need for resources can lead to the formation of more related or distant ties depending on the nature of the resources.

### SESSION 1133

## HR-RELATED CHALLENGES FOR SMES

TRACK L/K	Date	Tuesday, Sep 25
	Time	11:00 – 12:15
Paper	Room	Forum A

Session Chair: Clint Chadwick, *University of Kansas*

## Administrative Intensity and Managerial Resources in Emerging Firms

Maximilian Abele, *Institute for Human Capital Management*  
Clint Chadwick, *University of Kansas*  
Johannes Meuer, *ETH Zurich*  
Ingo Weller, *LMU Munich*

A large literature demonstrates the positive firm performance effects of HR practices (Combs et al., 2006), but most findings stem from large and established firms (Welbourne & Cyr, 1999). It is less clear how HR practices affect firm performance in small and emerging firms (Chadwick et al., 2013). We argue that emerging firms face resource constraints that potentially make HR practices prohibitively costly, especially those that are administratively intense. We emphasize the role of managerial resources (i.e., board members, HR managers) in emerging firms, which act as complements to the use of HR practices. We employ a novel data set of emerging German technology firms and fsQCA methodology to identify HR practices that interact with managerial resources in the explanation of firm performance.

## Are Startups Losing Out to Established Firms in Hiring High-Skilled Immigrant Workers?

Michael Roach, *Cornell University*  
Henry Sauermann, *ESMT Berlin*  
John Skrentny, *University of California, San Diego*

Using a longitudinal survey that follows 2,203 STEM PhDs from graduate school to first-time employment, we examine the sorting of immigrant and native workers into employment in startups or established firms. Although foreign-born students are more likely to be interested in working in a startup prior to graduation than U.S. citizens, after graduation they are nearly 50% less likely to do so. Controlling for ability and other characteristics, career preferences are a strong predictor of startup employment among natives but not among immigrants, suggesting that immigrants may face constraints in choosing preferred jobs. We find no difference between immigrants and natives in wages, nor in ability sorting. These findings have implications for the human capital of entrepreneurial ventures and debates on visa reform.

## Provision of Health Insurance Benefits and Financial Performance in Small Firms

Ulya Tsolmon, *Washington University in St. Louis*  
Dan Ariely, *Duke University*

This study examines the relationship between the provision of health insurance benefits by small firms and their financial performance and finds patterns consistent with the relational contracting mechanism. Using unique data covering 15,000 small private firms in the U.S. in 2006-2011, we find that firms with health insurance have better financial performance but grow more slowly than firms without health insurance. Consistent with the relational contracting theory, we find that the sensitivity of average wages to negative economic shocks is much lower in firms that offer health insurance than in firms without health insurance, especially in industries with higher firm-specific knowledge and higher employee task discretion. Our findings shed new light on the strategic tradeoffs associated with the provision of employee benefits in small firms.

## Necessity Never Made a Good Bargain: External Conditions, Entrepreneurial Motives, and Startup Outcomes

Maria Roche, *Georgia Institute of Technology*  
Annamaria Conti, *Georgia Institute of Technology*

Certain individuals start companies pulled by opportunity, others are pushed by necessity. We propose a novel methodology identifying necessity entrepreneurs based on their ex-ante risk of being unemployed holding the opportunity motive constant. Using a rich dataset of startup founders in life sciences, our preliminary findings indicate that, with rising unemployment, the fraction of necessity entrepreneurs increases. This finding is driven by deteriorating employment conditions reducing expected returns from wage work and not by necessity entrepreneurs crowding-out opportunity entrepreneurs when unemployment is high. Additionally, startups entirely founded by necessity entrepreneurs show worse financial and innovative performance than startups founded by at least one opportunity entrepreneur. Finally, having necessity entrepreneurs as founders explains at least seven percent of the negative effect unemployment has on startups' performance.





SESSION 1044

STIGMA, ILLEGITIMACY, AND CORPORATE HYPOCRISY

TRACK M	Date	Tuesday, Sep 25
	Time	11:00 – 12:15
Paper	Room	Forum B
Session Chair: Ioannis Ioannou, London Business School		

All are not Saints, Who go to Church: Corporate Hypocrisy, CSR and Customer Satisfaction

Ioannis Ioannou, London Business School  
George Kassinis, University of Cyprus  
Giorgos Papagiannakis, Athens University of Economics & Business

We investigate the impact of corporate hypocrisy on customer satisfaction in the context of CSR. Specifically, we argue that corporate hypocrisy negatively impacts customer satisfaction because deviations between policy and implementation on CSR issues generate negative external perceptions or judgements by the firm’s customers. Using data for U.S. companies between 2009-2016, we confirm that the more hypocritical a firm is, the larger the negative impact on customer satisfaction. We find that corporate ability positively moderates this relationship, implying a substitution effect between corporate hypocrisy and corporate ability in the eyes of customers. Finally, our findings reveal that the existence of customer satisfaction monitoring fully moderates the negative impact of corporate hypocrisy on customer satisfaction. We discuss implications and future research directions stemming from our results.

Identity Exposure as a Remedy for Stigma Transfer Concerns in a Nascent Stigmatized Market

Olga Khessina, University of Illinois at Urbana-Champaign  
Samira Dias dos Reis, Carlos III University of Madrid  
Cameron Verhaal, Georgia State University

Many nascent markets bear categorical stigma, a vilifying label attached to an industry and its participants, that threatens performance and survival chances. This happens because stakeholders avoid engagement with stigmatized organizations to minimize the probability of stigma transfer. Although the literature has explored strategies stigmatized companies undertake to minimize stakeholders’ concerns, we know little about how stakeholders’ acceptance of stigmatized organizations actually happens, and whether industry processes play a role. We develop a theory of identity exposure predicting that customers will become less concerned with stigma transfer, as they get exposed to the collective identity of the stigmatized market. We find support to this in analyses of customers’ reviews on Weedmaps.com, a marijuana-based community, from its inception in 2008 through 2014.

Is It Just A Label? Illegitimacy Discounts and Sin Stock Performance

Stephanie Wang, Indiana University  
Susan Young, Kennesaw State University

Much of the extant literature has implicitly assumed that criteria of legitimacy are established, and the definitions of desirable or appropriate behaviors are clear. However, when viewed through a historical lens, the criteria of legitimacy might be evolving over time. By extending the argument of illegitimacy discount, and using the “Triumvirate of Sin” industries (tobacco, alcohol, and gambling) as a natural experiment, we develop and test how institutional illegitimacy and organizational decoupling efforts affect firm performance over time. Using a sample of 148 sin stocks from 1978 to 2014, we find that pressure from restrictive social norms is negatively associated with sin stock price. However, firms can decouple themselves from this illegitimacy through corporate philanthropy and unrelated diversification, to improve performance.

The Origins of Stigma: All the Right Junk in all the Wrong Places

Helena Pinto de Sousa, IE Business School  
Martina Montauti, IE Business School

Stigmatization is an important phenomenon that can significantly affect how organizations survive and compete. However, little is known about the antecedents of stigma in a market context. We address this conceptual gap by situating stigma in a socio-cognitive market structure segmented into categories and propose that not only objective categorical features, but also structural market features contribute to stigmatization. We study the application of the ‘junk food’ stigmatizing label using nutritional and market data for 73,785 food items clustered into categories. Preliminary results provide support for our main predictions and highlight the social origins of stigma above and beyond the objective appreciation of vilified categorical features.

SESSION 902

OUTSOURCING, CAPABILITY DEVELOPMENT, COMPETITION, AND THE GLOBAL VALUE CHAIN

TRACK N	Date	Tuesday, Sep 25
	Time	11:00 – 12:15
Parallel Panel	Room	Loft H

Session Chairs

Joydeep Chatterjee, University of Washington Bothell  
Saikat Chaudhuri, University of Pennsylvania

Panelists

Charles Baden-Fuller, City, University of London  
Xavier Martin, Tilburg University  
Harbir Singh, University of Pennsylvania

Research on outsourcing and offshoring is increasing among scholars of strategy, organizations, international business, and innovation. While the study of motivations, processes, and outcomes surrounding outsourcing may be interesting, research on these transactions also provides important insights on the fundamental organizational phenomena underlying them. Using multiple theoretical lenses, this panel session will examine work on outsourcing which contributes to our understanding of organization design and the disaggregation of activities in the value chain from both focal and supplier firm perspectives – especially the competitive motivations, firm boundaries, capability building, transaction costs, coordination, and incentives. This interactive panel is designed to familiarize scholars with theoretical and analytical issues in studying outsourcing, identify promising lines of inquiry, and foster a community to advance knowledge on the topic.

## SESSION 946

**ALLIANCE, INNOVATION, POWER, AND HUMAN CAPITAL**

<b>TRACK N</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Forum E

**Session Chair:** Frédéric Le Roy, *University of Montpellier*

**What to Keep and What to Share? The Drivers of Human Capital Value in Alliances**

Nora Balogh, *University of Groningen*

Dries Faems, *WHU Otto Beisheim School of Management*

Isabel Estrada Vaquero, *University of Groningen*

Gjalt de Jong, *University of Groningen*

In this study, we explore factors that determine firms' decisions to appoint human capital resources (i.e., key individuals who possess difficult-to-imitate knowledge) as directors to strategic alliances. Building on insights from corporate governance literature, we argue that dependence and monitoring are two core mechanisms that shape human capital value—i.e., the collective value of human capital resources in director positions in the alliance. Our preliminary analysis of unique data on 101 wind farm joint ventures identifies two factors (environmental volatility and equity concentration) and two corresponding mechanisms (internal resource dependence and inter-firm monitoring) as key to explaining human capital value in alliances. Our study contributes to the micro-foundations perspective of strategic alliances by linking important insights from corporate governance literature to the alliance context.

**The Contingency of Brokerage and Preferential Attachment in the Evolution of Alliance Networks**

Oliver Rossmannek, *Albert Ludwig University of Freiburg*

Olaf Rank, *Albert Ludwig University of Freiburg*

Endogenous processes influence the evolution of alliance networks. Firms decide whether they form broker positions or closed network. Furthermore, preferential attachment influences the likelihood of forming additional alliances. We study how a firm's resources, firm group membership, and home country institutional development influence these processes. Therefore, we take a sample of 117 airlines from 74 countries in the time from 2001 to 2011. For the estimation, we use SIENA, an implementation of stochastic actor-oriented models. As a result, we find that firms with less resources and firms from more developed countries are more likely to form broker positions. Preferential attachment is stronger for firms that have less resource, are not a member of a firm group, and are located in a less developed country.

**Size Matters: When Small and Large Firms Look for the Best Partners to Innovate**

Frédéric Le Roy, *University of Montpellier*

Marc Robert, *GSCM Business School*

In this research we seek to understand if the various partners in an innovation network have the same impact on product innovation for small and large firms. We test our hypotheses using logistic regressions on the French CIS04 database with a sample of 3935 firms. We shows that the impact of partnership on innovation is not the same for small and large firms. Large firms benefit more from partnership focused on exploration alliance than partnership focused on exploitation alliance. Large firms benefit more from partnership with universities than small firms, and small firms benefit more from partnership with customers and competitors than large firms. Alliance partner for innovation must thus be chosen carefully depending the size of the firm.

**Power Asymmetry's Effects on Value Creation and Value Appropriation in Multipartner Alliances**

Tamara Oukes, *University of Twente*

Aard Groen, *University of Groningen*

Peter Geurts, *University of Twente*

Ariane Raesfeld, *University of Twente*

Power asymmetry potentially affects multipartner alliances' effectiveness, because it determines which partners have the right to make decisions. Research has shown that power and effectiveness are multidimensional concepts. We investigate the impacts of power asymmetry, based on partners' size, age and network centrality, on value creation and value appropriation in 409 alliances with multiple partners. We showed that network centrality asymmetry positively affects value creation, but negatively effects value appropriation. Another finding is that the positive relationship between centrality asymmetry and value creation is weakened by size asymmetry. We also find that the negative relationship between centrality asymmetry and value appropriation is weakened by age asymmetry. The findings clearly indicate that the structural (i.e. size and age) and relational (i.e. centrality) power dimensions are interconnected.

## SESSION 1010

**CEO CHARACTERISTICS**

<b>TRACK O</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	11:00 – 12:15
<b>Common Ground</b>	<b>Room</b>	Studio I+J

**Session Facilitator:** Nathan Bragaw, *University of Delaware*

**The Push and Pull of Attaining CEO Celebrity**

Jeffrey Lovelace, *University of Virginia*

Jonathan Bundy, *Arizona State University*

Timothy Pollock, *University of Tennessee, Knoxville*

Donald Hambrick, *Penn State University*

Why do some CEOs become celebrities, while others with seemingly equal accomplishments do not? After more than a decade of research on CEO social acclaim, far more is known about the consequences of CEO celebrity than its determinants. Oddly, apart from its theoretical foundation, researchers have devoted almost no attention to the antecedents of CEO celebrity. Firm success is only a minor predictor of CEO celebrity, suggesting that there are other factors influencing this process. As such, this study aims to expand our understanding of CEO celebrity through a detailed examination of its antecedents, its lifecycle across a CEO's tenure in an organization, and by adopting a new approach to the measurement of CEO celebrity that enables greater nuance in future research efforts.

**Time in a Bottle: The Temporal Alignment Between Firms and Institutional Investors**

Eric Y. Lee, *University of Georgia*

Daniel Gamache, *University of Georgia*

Management researchers have increasingly examined the influence of institutional investors on firm outcomes. Little is known, however, on how these powerful investors make their investment decisions. Drawing from theory on time perspectives we propose that institutional investors invest in firms that align with their investment horizons. Specifically, we examine the alignment in time perspectives by examining the investments of transient and dedicated investors with three factors: CEO temporal focus, CEO compensation structure, and 3) firm investment patterns. Our initial findings suggest that dedicated institutional investors are more likely to invest in firms that exhibit a long-term time horizon while transient institutional investors are likely to invest in firms that exhibit a short-term time horizon.



Horizon Problem or Mirage? The Surprising Synergy of CEO Age and Technological Innovation

Mengge Li, *University of Texas at El Paso*  
Donald Hatfield, *Virginia Tech*  
Laura B. Cardinal, *University of South Carolina*  
Cyrus Parks, *University of Houston*

Conventional wisdom and limited empirical evidence all presume an inevitable decline in the cognitive abilities of CEOs as they age. This study pushes back on this heuristic to ask: Does increasing CEO age reduce a CEO's effectiveness in managing innovation? We explore CEO age from both governance (agency) and individual (upper echelons) perspectives using psychological lifespan theory. We find that as CEOs age, they increase the volume and exploratory nature of their firms' innovation projects, but as boards increase their vigilance this behavior is reversed, with innovations becoming fewer in number and exploitative. These surprising results are interpreted in light of CEOs' perception of time and the pursuit of emotionally meaningful innovation goals, thereby linking concepts of temporality with intrinsic motivation and firm innovation.

Chief Endurance Officer: Examining the Relationship Between CEO Endurance Event Participation and M&A Outcomes

Robert Campbell, *University of Georgia*  
Kate Zipay, *University of Oregon*

Participation in endurance events, such as marathons, has more than doubled over the past decade. Despite the time and attentional demands of training, endurance events have become increasingly popular among CEOs. We theorize that the training involved with endurance event participation causes CEOs to build mental toughness ultimately impacting strategic decisions. Specifically, drawing on the four-component model of mental toughness, we theorize that CEO endurance event participation is associated with four acquisition outcomes: acquisition volume, TMT member retention, long-term acquisition performance, and the likelihood of subsequent divestitures. Our research makes contributions by shifting the focus of the CEO psychological attributes literature to the influence of malleable CEO attributes, such as mental toughness, and by taking a holistic approach to acquisitions that examines multiple outcomes.

Effects of CEO Disparity on Strategic Processes: Is Divergence an Asset or a Liability?

C. Chet Miller, *University of Houston*  
Rob Austin McKee, *University of Houston*  
Connor Lubojacky, *University of Houston*

CEOs hold positions of great responsibility, yet their effects on strategic processes and outcomes are insufficiently understood. In this study, we examine CEOs as outliers with regards to their preferred organizational goals and strategies, a phenomenon we refer to as CEO disparity. Theoretical ideas related to cognitive diversity and minority influence suggest strong effects, but CEO disparity has been neglected in strategy research. Using data from a field study of 61 strategic business units, we unexpectedly find evidence for mostly negative effects. We briefly discuss implications of our findings for both researchers and organizations.

When do Teams Disintegrate? Exploring Consequences of Firm Performance for top Management Team Social Integration

Melanie Oelrich, *University of Passau*

Team processes such as social integration are still black boxes, although social integration has considerable impact, for example, on TMT performance, morale and efficiency. Research on what influences social integration, especially concerning organizational factors, is scarce. As few organizational effects are as immediately felt as performance and observed by many stakeholders, we analyze how performance influences social integration. We found considerable support that performance is positively related with social integration and that the disintegrating effect of poor performance is greater than the integrating effect of good performance. We also argue that high CEO and CFO age attenuate the disintegrating effect of poor performance. Drawing on linguistic literature we used the LSM to predict social integration, enabling us to analyze considerable more observations than through interviews.

SESSION 967  
INSTITUTIONAL FOUNDATIONS OF BEHAVIORAL STRATEGY

TRACK P	Date	Tuesday, Sep 25
	Time	11:00 – 12:15
Paper	Room	Forum F
Session Chair:	Purseu Heugens, <i>Erasmus University Rotterdam</i>	

A Neo-Institutional Approach to Pricing: Mimetic and Normative Isomorphism in Pricing

Daniel Sands, *New York University*  
Jason Greenberg, *New York University*  
Joseph Porac, *New York University*

In this paper we consider how firms set prices. In particular, we build on neo-institutional theory to develop and examine how both mimetic isomorphism and normative isomorphism help to explain pricing. Spanning many disciplines and traditions, there exists a substantial amount of research on price and pricing. These real-world social complexities create significant ramifications for the strategic price setting activities of firms that are usually overlooked in standard economic theory. In order to expand our understanding of pricing, we use neo-institutional theory to theorize how and under which conditions mimetic and normative isomorphism explain pricing behavior. We substantiate our theory by examining the pricing activities of restaurant firms within the New York City restaurant industry using semi-structured interviews and a case study.

Local Institutions, Meaning Making, and Heterogeneity in Impact Investing Practices

Esther Leibel, *Boston University*

I explore the interplay of institutional forces and individual agency in shaping heterogeneity in emerging fields. Analysis of micro-level interactions within the Slow Money movement, which supports the development of sustainable local food systems by connecting sustainable food entrepreneurs with local investors, offers insights into meaning making as tethering of local understandings to extra local rationales. I introduce the concepts of infrastructural endowment and community support as key dimensions of the institutional context underlying variation in field practices. Consistent with the inhabited institutions perspective, I show that each chapter of the non-profit organization Slow Money developed different interpretations of the movement, depending on the local strength of infrastructural endowment vis-à-vis community support. These different interpretations led to variation in investing practices of entrepreneurs and investors.

## Careers Embedded in Multiple Institutional Logics: The Construction of a Professional Image

Cleo Silvestri, *Imperial College London*  
Paola Criscuolo, *Imperial College London*  
Klaus Weber, *Northwestern University*

This paper explores the factors that inform individuals to construct a broader, varied professional image of themselves. Drawing from the literature on impression management, we study how individuals who have been engaging in secondary activities alongside their core duties decide to construct their professional image. We conduct our study through the comparison of the activities actually performed by the individuals of Imperial College London and those that they decide to mention on their webpage. We test our hypotheses on 838 faculty members who have previously engaged in commercial activities and have an active webpage. From our results, we find that the inclusion of secondary activities in the personal webpage is informed by competing influences of individuals' standing within their organization and their professional community, respectively.

## A Change of Tune: Market Democratization and Crossover Production in the Commercial Music Industry

Yuan Shi, *University of Maryland*

New technologies have democratized marketplaces by empowering the laypeople in the valuation process. How does such democratization force influence producers' boundary spanning decisions? Professionals specialized in a market may be more knowledgeable about its boundaries and benefit more from a clearly defined market than laypeople do. When democratization dilutes professionals' power, producers may be more likely to span market boundaries to reach a larger audience. I exploit a Billboard chart policy change that shifted the power from genre-specific radio stations to the audiences on generic platforms. Using a "crossover" measure of song recordings, I find that producers increasingly borrow elements from other genres after democratization, indicating a higher level of boundary spanning. Moreover, the crossover effect is driven by incumbent and generalist firms.

### SESSION 1032

## LANGUAGE AND COMMUNICATION IN STRATEGY

<b>TRACK P</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Auditorium

**Session Chair:** Rhonda Reger, *University of Missouri*

## ✿ Under Your Spell: How IPOs' Linguistic Congruence to Investors Mitigates the Effect of Categorical Ambiguity

Paul Gouvard, *HEC Paris*

To what extent does a firm's language matter for its valuation by investors? To address this question, I analyze the linguistic patterns of 2 930 US IPOs and of all institutional investors' portfolios in the US from 1996 to 2015. I find that (1) if the linguistic information contained in IPO prospectus is categorically ambiguous, the IPO's underpricing is lower; and (2) the average linguistic congruence of an IPO to institutional investors and its variation both increase underpricing. The effect of categorical ambiguity is fully mediated by the variation in linguistic congruence, suggesting stronger reliance by investors on their theory of value than on prototypes and offering clear contributions to recent debates in strategy on market categories and firm valuation.

## A Cognitive and Linguistic Approach to the Market Competitiveness of Social Enterprises

Romain Bouloungne, *HEC Paris*

Evaluators often perceive social enterprises, a type of hybrid entity, as being less competitive. With its dual objective, social enterprises can emphasize their business mission (commercial-social ordering) or their social mission (social-commercial ordering) first, consequently influencing their perceived competitiveness in markets. We contend that commercial-social ordering—but not social-commercial ordering—triggers conceptual combination in their evaluator's mindset. Conceptual combination thus allows the evaluator to process multiple combinations of how the organization can be helpful in achieving the evaluator's goals. We posit that activation of conceptual combination positively moderates the negative perception of a social enterprises' competitiveness (H1) and that conceptual combination is positively correlated with the evaluator's knowledge of stakeholder priorities (H2). This work contributes to the literature on strategic differentiation, categories and hybrid organizations.

## Constituent Support to Firms and Communication Strategies via Social Media and Press Release

Xinran Wang, *University of Missouri*  
Rhonda Reger, *University of Missouri*

Although an increasing number of firms use social media to communicate with constituents, scant evidence shows whether firms have used this communication platform effectively. In this paper, we build a theoretical framework on gatekeeping to depict how different communication strategies lead firms to lose or gain constituent support. We argue that firm responses via social media compared to issuing press releases are more likely to reduce firms' constituent support. However, certain communication strategies via social media may help firms earn constituent support. Based on a comprehensive database, including 1,257,370 tweets and 81,887 press releases from 286 newly public firms and their constituents during 2007-2016, empirical results largely support our arguments.

### SESSION 1079

## EXPANDING BOUNDARIES WHEN TEACHING STRATEGY

<b>TRACK T</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	11:00 – 12:15
<b>Paper</b>	<b>Room</b>	Loft G

**Session Chair:** Robert Wright, *Hong Kong Polytechnic University*

## Incorporating Social Responsibility into Strategic Management Capstone Courses

Ana Cristina Siqueira, *Duquesne University*  
Nagaraj Sivasubramaniam, *Duquesne University*  
Peter Gianiodis, *Duquesne University*

We provide a framework for incorporating the United Nations' Principles for Responsible Management Education into Strategic Management capstone courses. We highlight how the use of active learning activities, such as Case Competitions in which students analyze ethical, social, and environmental issues in business situations, promote student engagement and facilitate assessment of learning. We suggest learning assessment approaches with multiple methods and evaluators including students, faculty from different disciplines, and business practitioners. These activities enable students to address learning objectives of the course, help support Business Schools' mission of responsible management education, and facilitate assessment of learning at the course and program levels helpful for continuous improvement consistent with the "closing the loop" process suggested by the Association for the Advancement of Collegiate Schools of Business.





## Inviting Robert Frost, Mary Oliver, and Dana Gioia into our Classrooms

Sargam Garg, *California State University, Sacramento*

Given the need to be creative in strategy scholarship and teaching, I explore the power of using poetry in the classroom. Moving beyond the use of case-study method as a pedagogical tool, I reflect on how poetry in the classroom can help (and has helped my) students. It helps students view organizations as organisms living in a system. I begin with a sequential inquiry into how poetry can enrich our understanding of how organizational actors (and organizations) sense, process, communicate and/or act. The main objective of this paper is to expose the audience to the power of aesthetic contemplation, poetic imagination, and relational learning in the classroom.

## The 5Ps as a Business Strategy Formulation and Evaluation Tool

Norman T Sheehan, *University of Saskatchewan*

The most common framework students use to formulate strategy is SWOT. The problem with using SWOT is that while it is an effective tool to scan the firm's environment, it does not go further than generating a long list of strengths, weaknesses, opportunities and threats (Valentin, 2001; 2005). Given this, students using their SWOT analyses as a basis to formulate their strategies often struggle to propose strategies that are internally consistent and comprehensive. While SWOT and other strategy frameworks should be used to scan the firm's environment, we believe a new strategic tool is needed to help synthesize the strategic factors gleaned from the internal and external scans. This session presents a tool to complement and overcome the weaknesses when using SWOT to formulate strategy.

## Strategy Students' Cognition of Opening Up Alternatives to Complex Challenges

Robert Wright, *Hong Kong Polytechnic University*

What thinking process do strategy students use to deal with the unfamiliar? As educators, how much do we really know about how our students deal with the unsolved problems, issues and challenges that confront them? This SMS proposal is based on a decade long program of research grounded in an innovative pedagogical innovation designed to help take our students' thinking, feeling and acting to a higher level. Using a clinical psychological methodology grounded in Personal Construct Theory (PCT), we interviewed 20 senior strategy students on what helps them open up alternatives when they deal with complex challenges. Our preliminary results has the potential to change the way we view how we teach in better preparing our next generation of thought-leaders for a complicated world.

## SESSION 892

# REVISITING THE GEOGRAPHIC SPACE OF VALUE CREATION AND APPROPRIATION FROM THE COMPLEMENTARY ASSETS FRAMEWORK

<b>TRACK G/PLENARY</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	14:30 – 15:30
<b>Plenary Panel</b>	<b>Room</b>	Auditorium

## Session Leaders

Minyoung Kim, *University of Kansas*  
 Curba M Lampert, *Florida International University*  
 Raja Roy, *New Jersey Institute of Technology*

## Panelists

Yves Doz, *INSEAD*  
 Constance Helfat, *Dartmouth College*  
 David Teece, *University of California, Berkeley*  
 Alain Verbeke, *University of Calgary*

Over the past decade, the seemingly diminishing interdependence of countries begs for a new dialogue on the geographic space of value creation and value appropriation. The literature of global strategy has delineated how firm internationalization is a source of both; however, the era of de-globalization creates new opportunities and challenges for firms to manage the internationalization of their activities. To address these changing dynamics, we take the complementary assets perspective (Teece, 1986)—which provides a systematic understanding of both value creation and value appropriation—and revisit the geographic space of profiting from innovation. Well-established in the technology management and innovation literature, the complementary assets framework can shed new light on the importance of geographic space in creating and capturing economic rent from innovation.



**CURBA MORRIS LAMPERT**, assistant professor at Florida International University's College of Business, focuses on technology strategy and innovation, diversification and divestments, and managing entrepreneurship in large corporations. She has published articles in leading scholarly, garnering over 2,500 citations. She was the recipient of the University Top Scholar Research Award in 2014 and the West

Kendall Baptist Hospital Faculty Research Award in 2018. Her research has earned scholarly recognition from the Kauffman Foundation and the SITE Award for Best Paper on Innovation Management Published in 2013.



**RAJA ROY** earned his Ph.D. in Strategic Management from the University of Pittsburgh. His research explores the role of firm-level capabilities, such as access to complementary technologies and in-house users, during technological disruption in machine tools, industrial robotics, and image sensors; and appears in the *Strategic Management Journal*, *Strategic Entrepreneurship Journal*, *Research Policy*, *Technological Forecasting and Social Change*, *Advances in Strategic Management*, *Journal of Engineering and Technology Management*, and *IEEE TEM*.



**YVES DOZ** has helped executives and their companies develop and implement effective strategies that transcend inherent tensions and contradictions. In addition to INSEAD, where he is the Solvay Chaired Professor in the management of technological innovation, and CEDEP, where he is a member of the Academic Committee, he has taught at Harvard Business

School and Stanford Graduate School of Business in the US and at leading business schools in Belgium, Brazil, Denmark, Finland, Japan, and Korea. He received a doctorate "honoris causa" from Aalto University in Finland. His research and publications have won numerous awards, including the first CK Prahalad Scholar- Practitioner Award from the Strategic Management Society for bringing research findings to management practice and a Lifetime Distinguished Scholar award from AoM. He has written several books and numerous articles.



**CONSTANCE E. HELFAT** is the J. Brian Quinn Professor in Technology and Strategy at the Tuck School of Business at Dartmouth. Constance Helfat's research focuses on firm capabilities, including capabilities for technological innovation and firm adaptation and change. She also has conducted research on corporate executives, including women executives. Constance Helfat has published widely in leading academic journals, and has written and edited three academic books. She is a Fellow of the Strategic Management Society, received the Distinguished Scholar Award from the Technology and Innovation Management Division of the Academy of Management, serves as Co-Editor of the *Strategic Management Journal* and Associate Editor of the *Palgrave Encyclopedia of Strategic Management*, and is on the editorial board of other academic journals. Constance Helfat received her undergraduate degree from the University of California-Berkeley and her Ph.D. from Yale University.



**DAVID TEECE** is the Thomas W. Tusher Professor and director of the Tusher Center for the Management of Intellectual Capital, University of California, Berkeley. He is also chairman and cofounder of Berkeley Research Group, an expert services and advisory firm with offices in 40 locations globally. David Teece is an authority on subjects including corporate strategy, innovation, strategic management, economics of technological change, technology transfer, and antitrust economics. He has a Ph.D. in economics from the University of Pennsylvania, has held positions at Stanford University and Oxford University, and has eight honorary doctorates. He has testified before Congress on regulatory and competition policy, is author of over 200 books and articles, and is the editor of *Industrial & Corporate Change*. According to *Science Watch*, he is the lead author on the most cited article in economics and business worldwide. He is an SMS Fellow and is an active angel investor in technology startups.



**ALAIN VERBEKE** holds the McCaig Research Chair in Management at the Haskayne School of Business, University of Calgary. He also serves as Research Director of the Strategy and Global Management Area, and the Human Resources and Organizational Dynamics Area in the Haskayne School. He was previously the Director of the MBA program, Solvay Business School. He was recently appointed as the Inaugural Rugman Memorial Fellow at the Henley Business School, University of Reading (UK). Alain Verbeke has authored or edited 30 books and more than 200 refereed publications. He is a leading thinker on complex project evaluation and the strategic restructuring of complex organizations, both public agencies and business firms. Alain Verbeke serves on the Editorial Board of several journals, and has been Editor of the *Journal of International Business Studies*. He is presently a Senior Editor of *Management and Organization Review*. He is an elected Fellow of the Academy of International Business.



## SESSION 956

**HELPING OTHERS IN DIGITAL TRANSFORMATION**

<b>TRACK PLENARY</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	14:30 – 15:30
<b>Keynotes</b>	<b>Room</b>	Scene DEF

**Session Moderator**Andrew Shipilov, *INSEAD***Panelists**Thierry Breton, *ATOS*

Atos is a global leader in digital transformation with approximately 100,000 employees in 73 countries and annual revenue of around € 12 billion. The group supports the digital transformation of its clients across various business sectors: Defense, Financial Services, Health, Manufacturing, Media, Energy & Utilities, Public sector, Retail, Telecommunications and Transportation. The group's Chairman and CEO, Mr. Thierry Breton, will share the latest case studies of how Atos has created value by helping its partners go through digital transformation. He will discuss Atos' recent collaboration with Google to help partners integrate Artificial Intelligence in their processes as well as the lessons which Atos has learned in building an ecosystem for quantum computing. Finally, Mr. Breton will share his views on what companies like Atos can do in order to promote technological innovation in France and in Europe.



**ANDREW SHIPILOV** is a Professor of Strategy and the John H Loudon Chair of International Management at INSEAD. In 2014, Professor Shipilov received an Emerging Scholar Award from the Strategic Management Society. He is an expert in the areas of strategy, innovation, and networks. His current academic research examines how social networks, strategic alliances, and partnerships affect firm's competitive advantage. He is a co-author of

"Network Advantage: How to Unlock Value from Your Alliances and Partnerships" (Wiley). Professor Shipilov's work has been published in the leading management journals including the Academy of Management Journal, Administrative Science Quarterly, Organization Science, Social Networks, Strategic Organization, Industrial and Corporate Change, Managerial and Decision Economics. He also published in Harvard Business Review, MIT Sloan Management Review, and Talent Management Magazine. Prof. Shipilov is now Associate Editor of Strategic Management Journal.

**THIERRY BRETON:**

Before joining ATOS in 2008 as Chairman and CEO, Thierry Breton taught leadership and corporate accountability at Harvard Business School. From 2005 to 2007, he served as France's Minister for Economy, Finance and Industry. From 1997 to 2002, he was Chairman and CEO of Thomson. From 1993 to 1997, he was at Honeywell Bull Group, SEVP for strategy then promoted CEO and Vice Chairman of the Board.

He began his career as an entrepreneur creating software company Forma Systems. He is a member of many Boards of Directors, including Carrefour, and is a member of Bank of America Global Advisory Council and of the US Business Council. Thierry Breton holds a master's degree in electrical engineering and computer science from SUPELEC and is a graduate of the French Institute for Higher National Defense.

15:30 – 16:00  
**COFFEE BREAK**

## SESSION 893

**BUSINESS MODELS IN THE SHARING ECONOMY**

<b>TRACK B</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	16:00 – 17:15
<b>Parallel Panel</b>	<b>Room</b>	Loft G

**Session Chairs**Pascual Berrone, *IESE Business School*Joan E Ricart, *IESE Business School***Panelists**Emmanuel Marill, *Airbnb France & Belgium*

The rise of the sharing economy poses relevant questions for both academia and management practice. What is the sharing economy in the first place and what kind of business models emerge in it? What are the businesses, value propositions and innovations from the most significant companies in the sharing economy? What are the current debates that academia should address? What is the impact of such business models in the local context in which they operate? What can we learn from the sharing economy business models? What should be the non-market strategy, the technological strategy, the international governance and the social approach of such businesses in the era of de-globalization and growth of urban spaces and megacities?

## SESSION 971

**DIRECTOR EFFECTIVENESS IN INTERNATIONAL MARKETS**

<b>TRACK C/O</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Studio A

**Session Chair:** Michael Withers, *Texas A&M University***Board Interlocks with Shell Companies and Firm Value: Evidence from Director Disqualifications in India**Ajay Bhaskarabhatla, *Erasmus University Rotterdam*Rajani Singh, *Indian Institute of Management Bangalore*

We combine insights from agency theory and resource-dependence view to argue that interlocks with shell companies weaken monitoring and oversight, but strengthen opportunities for financial fraud through cooptation and collusion, leading to lower firm performance. Shell companies are secretive and information about their operations difficult to observe. We exploit an unprecedented and unexpected public enforcement activity in India that led to the identification of 200,000 shell companies and 300,000 directors serving on their boards. By showing board interlocks with these shells lower firm performance before interlocks are publicly disclosed, we implicate the quality of corporate governance at the interlocked firms rather than the decline in reputation that typically follows such disclosures. Our results are remarkably robust across cross-sectional, instrumental variables, and longitudinal fixed-effects regression analyses.

**Heterogeneous Effects of Director Busyness on Firm Performance**Ajay Bhaskarabhatla, *Erasmus University Rotterdam*Shivaram Devarakonda, *Tilburg University*Sachidananda B S, *Indian Institute of Management Bangalore*

Many directors serve on multiple corporate boards. How does directors' busyness affect the performance of different firms? Multiple board positions may distract directors and impede effective oversight. Through such positions, directors may also access information and resources that enable them to monitor and advise the management effectively. Whether busyness diffuses directors' attention or supports learning may depend on the nature of their tasks and the task environment. We disentangle these effects by exploiting two critical details: boards delegate oversight tasks to committees; the responsibility and scrutiny directors bear hinges on the institutional context that embeds firms. We demonstrate that the distraction and learning effects of busyness depend on the degree to which firms are subject to discipline by the market.

**Who Dares to Say No? Independent Director Dissent in Chinese Public Corporations**Jyun-Ying Fu, *National Chengchi University*Pei Sun, *Fudan University*Michael Withers, *Texas A&M University*

Monitoring is recognized as a critical function boards provide to ensure alignment between a firm's executives and shareholders. While prior evidence of board monitoring is mixed at best, this study focuses on individual directors' dissenting votes as a way to capture monitoring more directly. In particular, we hypothesize that directors with financial or accounting expertise and political capital are more likely to voice dissent. However, we also argue that director compensation is negatively related to director dissent. Finally, we examine the interaction between director compensation and director expertise and political capital. We test our hypotheses in the context of Chinese public corporations in which voting outcomes of individual independent directors are publicly disclosed. Our research offers several contributions to the literature on board monitoring.

**Similarity-Attraction vs. Similarity-Competition: How Board Chairs Select Independent Directors with Background Similarity**Renfei Gao, *University of Melbourne*Helen Wei Hu, *University of Melbourne*Toru Yoshikawa, *Singapore Management University*

Director selection is an important topic of corporate governance. Based on similarity-attraction logic, extant research in the socialized tradition typically suggests that board chairs prefer to select similar directors with themselves. This logic mainly focuses on the collaborative aspect of chair-director relations, yet the potential competitive aspect is overlooked. Emphasizing the dual roles of directors as collaborators and competitors perceived by chairs, we incorporate similarity-attraction and similarity-competition logics in director selection, and propose a substitutive-complementary framework to reconcile their contrasting implications. Examining 1,180 Chinese listed firms, we find that chairs with political backgrounds are less inclined to select similar directors – supporting the similarity-competition logic, while chairs with technological backgrounds are more inclined to select directors with technological backgrounds – maintaining the similarity-attraction logic.





## SESSION 1134

**AGGLOMERATION**

<b>TRACK E</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Forum F

**Session Chair:** Filippo Carlo Wezel, *University of Lugano*

### ★ Demand Agglomeration Economies and Firm Heterogeneity: Bankruptcy of HHGregg Retailer

Siddharth Sharma, *Indian School of Business*

Wilbur Chung, *University of Maryland*

Soomin Cho, *University of Maryland*

Agglomeration economies can provide benefits for collocated firms. Modeling these benefits using a simple two firm framework, Shaver and Flyer (2000) develop a key insight: some firms contribute more than they benefit. We extend the inquiry by considering multiple firms. We build a simulation model composed of multiple, collocated, heterogeneous firms and calculate firm-specific agglomeration benefits using Shaver and Flyer's two-firm relationship as a building block. We then simulate the exit of one firm, to assess the loss others experience, which generates simulation-based predictions. We test our predictions using the bankruptcy of the HHGregg electronics retail chain and the closing of all their stores in May 2017 as a natural experiment. We examine survival of neighboring stores in HHGregg occupied and control malls.

### Is New Airline Connection a 'Pneumatic Tube' or 'Vacuum Pump'? A Microfoundational Approach on Agglomeration

Jang Woo Kim, *Bocconi University*

A spiky distribution of human capital derives heterogenous growth across regions. The literature provides two different mechanisms to explain such a geographical agglomeration of human capital: pecuniary and non-pecuniary. Generally, what those mechanism predict is consistent. But upon a decline in inter-regional transportation costs, they predict inconsistent outcomes. The pecuniary mechanism predicts inventors and the knowledge embedded on them moves from the lagged region (the "periphery") to the advanced region (the "core"), whereas the non-pecuniary mechanism predicts the opposite. Designating the core and the periphery regions in each technological area, this research portrays the interplay between two mechanisms, in order to reconcile them. This research will use the introductions of airline routes newly connecting two Metropolitan Statistical Areas (MSA) as a quasi-natural experiment.

### ★ Measuring the Temporal Dynamics of Industry Clusters

Min Jung Kim, *University of Minnesota*

J Myles Shaver, *University of Minnesota*

Russell Funk, *University of Minnesota*

This study proposes an empirical technique to measure the temporal dynamics of industry clusters. Although strategy researchers have made significant progress in understanding the mechanisms through which cluster membership may facilitate technological innovation, a limitation is that they largely focus on between-cluster variation. Subsequently, existing literature overlooks within-cluster temporal dynamics. Our proposed technique allows for systematic quantitative analyses of within-cluster temporal variation. It measures cluster size using a z-score method with a Monte Carlo simulation, identifies the growth trends of clusters using structural break analysis-the Bai-Perron test-, and quantifies the characteristics through regression analysis. Applying this measure to the U.S. electronic computer industry context, we demonstrate the ability of the proposed empirical technique to identify the trends of clusters and to quantify their characteristics.

### You Say Tomato, I Say Tomahto: Structural Determinants of New Entrants' Returns From Imitation

Martina Montauti, *IE Business School*

Bernard Forgues, *EMLYON Business School*

Filippo Carlo Wezel, *University of Lugano*

Substantial academic energies have been dedicated to understanding the forces that induce imitation in markets and to analyzing the returns from imitation thanks to skill and legitimacy transfer. The available findings, however, rest on the premises that imitation is carried out without structural impediments and is endorsed by audience members. Our paper departs from these premises and advances that a new entrant's returns from imitation vary depending on two key dimensions of a market socio-cognitive structure: the status and categorical affiliation of the (imitated) incumbent. We plan to test our argument in the recorded music industry and, more specifically, in the context of cover songs, where imitation is an almost perfect rendition of an original offering.

## SESSION 1075

**ROLE OF INSTITUTIONS AND ADVISORS**

<b>TRACK F</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Forum E

**Session Chair:** Alexander Wallot, *University of St. Gallen*

### The Role of Institutions in Rival Responses to M&a Announcements of Competitors

Valentina Fani, *University of Lausanne*

Dimitrija Kalanoski, *University of Lausanne*

Olivier Bertrand, *FGV-EBAPE*

The management literature has predominantly focused on the motivations and value effects of M&As on acquiring firms, while the relation between M&a announcement and rivals' responses has remained relatively underexplored. Building on institutional theory, we examine the role of institutions in rival's responses to M&a announcements of their competitors. Based on a unique sample of large and visible horizontal cross-border and national M&As, we show that increasing differences in the quality of institutions where rivals and acquirers are embedded in discourages rivals to respond to M&a announcements of their competitors. Additionally, we show that the specific institutional characteristics in rivals' environment like the investments and property rights modify what type of responses rivals are more likely to undertake.

### Managing Cross-Border Mergers and Acquisitions: A Review of Successes and Failures

Maureen Meadows, *Coventry University*

Many managers agree that cross-border mergers and acquisitions (CB M&a) remain an important form of foreign direct investment. However, the failure rate of CB M&a is reported to be high. We focus on this problem, beginning with a rigorous review of the literature to explore the main factors underlying their success or failure. Scholars have pursued a better understanding of what constitutes a recipe for success in CB M&a. Nonetheless, existing research remains fragmented, with various domains developing in isolation from each other, and potentially impeding further theoretical development of the field. This paper begins to integrate theoretical domains, to explore conflicts and complementarities. We aim to bring greater clarity as to where future research is most needed, and its potential value for practitioners.

## The Role of Financial Advisors in Acquisition Premiums

Jianan Li, *University of Texas at Dallas*

The acquisition literature has documented a puzzle, suggesting that the use of financial advisors may increase deal completions, but it may also result in higher premiums paid by the acquirers. In this study, we aim to resolve the puzzle by simultaneously examining how acquirer advisors and target advisors respectively affect acquisition premiums of complete deals from the resource dependence perspective. Moreover, we introduce a set of contingencies, including the prior acquisition experiences of the acquirer, target public status, business similarity of the merging firms, and cross-border versus domestic transaction, to further tease out the corresponding effects of acquirer and target advisors on acquisition premiums. Our conceptualization provides useful insight into the acquisition literature on the role of financial advisors.

## External Knowledge is (Bargaining) Power: Impact of Financial Advisor Individuals' Experience on M&A Premia

Alexander Wallot, *University of St. Gallen*

Xena Welch Guerra, *University of St. Gallen*

Prior literature has devoted much attention to the role of capability development in the context of mergers and acquisitions. A widely neglected group of actors in this literature has been the financial advisor, offering services to target and bidder firms in the decision-making process of mergers and acquisitions. In this study, we focus on the role of financial advisor individuals' experience in explaining the acquisition premia paid for acquisition targets. Building on the experience and negotiation literatures, we hypothesize that the depth, breadth, and recency of advisors' experience, as well as the relative experience of bidder versus target advisors help explain acquisition premia. Our study contributes to the literatures on mergers and acquisitions, financial intermediaries, and the micro-foundations of organizational capabilities.

### SESSION 1119

## EMERGING MARKET STRATEGIES

<b>TRACK G</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Forum B

**Session Chair:** Ulf Andersson, *Malardalen University*

## Pro-Market Institutions and Firm Performance in Emerging Markets

Elitsa Banalieva, *Northeastern University*

Alvaro Cuervo-Cazurra, *Northeastern University*

Ravi Sarathy, *Northeastern University*

We analyze how pro-market institutions affect firm performance in emerging markets. Integrating transaction costs and signaling theory, we advance three arguments. First, we propose the separation of four dynamic components of pro-market institutions: intensifying and weakening pro-market reforms (improvements in pro-market institutions over time) and intensifying and weakening pro-market reversals (deteriorations in pro-market institutions over time). Second, we introduce an asymmetric dynamic view in which we propose that not only intensifying reforms but also weakening reversals improve firm performance, while not only weakening reforms but also intensifying reversals reduce it. Third, we argue that more efficient firms are better positioned to manage the changes in transaction costs resulting from these institutional dynamics, and thus, perform better under each of these institutional contexts.

## Stigma Avoidance and the Delay of Foreign Exits of Emerging Economy Multinational Enterprises

Kiattichai Kalasin, *National Institute of Development Administration*

When a foreign subsidiary fails to meet expectations, how quickly will investors pull the plug and withdraw? We argue that stigma avoidance induces some firm types to delay divestments of foreign operations. Specifically, we argue that the risk of a stigma of failure creates pressures on managers to retain a business, even at the expense of profitability. Integrating the concept of stigma with institutional theory, we explore variations across firms in different ownership types. A stigma of failure is more likely to be damaging to managers in state-controlled firms (compared to private enterprises) and in family firms (compared to individual-controlled firms). These relationships are magnified by ownership concentration, status awareness of the chief executive officer (CEO), and the importance of status in the national culture.

## Emerging Market Multinationals Expanding in Latin America and the Caribbean: A Configurational Approach

Gabriel Vouga Chueke, *University of São Paulo*

Ryan Federo, *ESADE Business School*

Research on the effect of institutions on entry mode choice has often obtained mixed empirical results. We address this research issue by conducting a configurational approach to analyze the effect of bundling different country-, industry-, and firm-level factors to the choice between an acquisition and a greenfield investment. We explore our framework on a sample of 316 Brazilian foreign subsidiaries operating in 16 Latin American and Caribbean countries from 2000 to 2015. Results show that emerging market multinationals have different firm-specific advantages to mitigate external uncertainty stemming from technological intensity and institutional distance of Latin American and Caribbean countries. These findings contribute to our understanding of how host-country institutions matter for emerging market multinationals entering in markets located in a specific geographic region.

### SESSION 1132

## CROSS-BORDER INNOVATION AND ENTREPRENEURSHIP

<b>TRACK G</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Forum A

**Session Chair:** Heather Berry, *George Washington University*

## A Process Perspective on the Internationalization and Performance of SMEs: 12 Longitudinal Swiss Case Studies

Philippe Lamb, *University of Neuchâtel*

Oussama Darouichi, *University of Neuchâtel*

Vijaya Narapareddy, *University of Denver*

This research explores the internationalization and performance of SMEs, from a strategy process perspective through longitudinal case studies of 12 Swiss international SMEs (iSME). This qualitative longitudinal methodology enabled us to explore the impact of managerial decisions and practices for 3 years, from 2014 through 2016, on the SMEs' performance during the internationalization process. Based on our findings, we identified five main performance drivers affecting the iSMEs. We also discuss the findings based on relevant literature and offer 3 research propositions. Additionally, we proposed a performance-oriented typology of iSMEs. Finally, we conclude that the strategy process perspective offers new insights that go beyond both the internationalization stage model and the born global approach popular in the internationalization literature.



## Cross-Border Equity Crowdfunding: The Roles of National Distances, Co-Ethnicity, and Attention

Anna Lukkarinen, *Aalto University*

Markku Maula, *Aalto University*

In the era of de-globalization, can equity crowdfunding platforms offer a way for entrepreneurs to overcome the growing national barriers to raise equity from foreign investors? In this first study of the drivers of cross-border equity crowdfunding, we theorize about the roles of national distances, co-ethnicity, and attention and test our hypotheses using unique data on cross-border equity crowdfunding investments made in ventures located in six countries by investors from 64 countries around the world in 2012-2017. With implications on international fundraising strategies of entrepreneurs, we find that national distances have very limited effects whereas co-ethnicity of the entrepreneur(s) and potential investors and the attention of the campaign in the home countries of the potential investors have strong positive effects on cross-border equity crowdfunding investments.

## Foreign Knowledge Activities and Home Country Innovation

Heather Berry, *George Washington University*

We explore how the foreign knowledge activities of firms impact their domestic innovativeness. We instrument for changes in foreign activities using foreign GDP and technology growth rates interacted with lagged firm-specific distributions of assets and patents across foreign countries. Results using these instruments suggest that increasing foreign patenting activities by 10% is associated with a 7.7% growth in domestic patents by firms and a 2.5% increase in R&D expenditures by firms. The results further show significant increases in domestic innovation for firms from both leading and lagging knowledge industries. Overall, these results highlight the complementary nature of foreign and domestic innovation and show that on average, higher value-added activities in foreign markets positively impacts the domestic innovation activities of firms.

### SESSION 1058

## MARKET EFFECTS ON INNOVATION

TRACK I/E	Date	Tuesday, Sep 25
	Time	16:00 – 17:15
Common Ground	Room	Studio E

Session Facilitator: Gina Dokko, *University of California, Davis*

## Technology Disclosure and Capital Market Uncertainty: The Role of Patents

Ali Mohammadi, *Royal Institute of Technology*

Mehdi Beyhaghi, *University of Texas at San Antonio*

Pooyan Khashabi, *LMU Munich*

While R&D is necessary to create competitive advantage for firms, it can also create information asymmetry between the management and capital markets, thus leading to forecast difficulties and uncertainty about firms' future prospects. Consequently, R&D-intensive firms experience pressure from capital markets in the form of increase in cost of capital, underinvestment, and undervaluation. We test whether patenting, as an information disclosure mechanism about firms' R&D, is an effective strategy for mitigating such uncertainties. By taking advantage of a quasi-natural experiment created by the American Inventor's Protection Act (1999), we provide causal evidence that information disclosure through patents does reduce uncertainty about the firm in the capital market. The mechanism, however, is less effective when patents are scientifically broader and entail higher value.

## A Demand-Side Perspective to Market Disruption: Evidence from the US Mobile Dating Application Industry

Nilofar Abolfathi, *WU Vienna*

Simone Santamaria, *Bocconi University*

The question of how new entrants can displace incumbents has attracted considerable attention in the innovation management literature and practice. A newcomer can shift the consumption behavior of the mass market by introducing technological improvements or possessing specific resources. In this paper, instead, we set out to explain how disruption can emerge from some characteristics of the demand environment. Building on the demand-side approaches to strategy and innovation, we explore how newcomers can disrupt the market through improving the product along overlooked dimensions important for some market segments. We empirically examine the demand-side elements that caused displacement of incumbents in the U.S. dating application industry during 2011-2015. Empirically, we text analyze user-generated reviews as a novel way to measure customer preferences.

## Breakthrough Inventions and the Forgotten Pre-Commercialization Stage of Industry Lifecycle

Fernando Suarez, *Northeastern University*

Won Kyung Min, *Fordham University*

We theorize on an integrative perspective of industry evolution that combines the technological dynamics in the pre-commercialization era, with what we know of the post-commercialization period described in industry evolution literature. We first revisit a pervasive concept of "technological breakthrough" and provide the different dimensions of its role in shaping the pattern of industry evolution. In so doing, we synthesize its characteristics into the current representation of the technology S-curve, often used to depict the phenomenon of industry emergence. Using the empirical context of the emergence of the solid-state lighting industry, we develop several propositions about important strategic implications that the pre-commercialization technological trajectories have on subsequent market evolution involving the pace of firm entries into a new industry.

## Product Market Performance and Openness: Evidence from Wireless Routers

Do Yoon Kim, *Harvard University*

Releasing intellectual property (IP) opens up channels for imitation and may hamper firms' ability to capture value. Despite this, many firms reveal significant amounts of IP. In this paper, I document the relationship between open technologies and product market performance. I collect a unique data set of 420 wireless cards used in wireless routers released 1996-2017. Using Cox proportional hazard models and linear regressions, I find wireless cards with open source drivers enjoy longer lifespans than proprietary cards. I address endogeneity concerns by instrumenting for technology openness using several large reverse engineering efforts and find open source causes an increase in product lifespan. These results are consistent with downstream OEMs choosing general technologies to avoid tie in, contributing to reduced upstream appropriability.

## Mapping (Radical) Technology Evolution to Firm Capabilities: A Study of the Bionic Prosthetic Industry

Seojin Kim, *University of Maryland*

Rajshree Agarwal, *University of Maryland*

We map the development of a radical technology on the evolution of firm capabilities in the context of the nascent bionic prosthetic industry. Drawing upon Arthur's theory of technology, we revisit the use and definition of radical technology in the existing literature. We distinguish between the underlying nature of the technology and the distribution of capabilities across heterogeneous actors during the nascent period. We propose that a firm's strategic position during the emergence of the new industry upon emergence will depend on not only existing complementary assets but also the technological positions across the entirety of the technological sub-components. This paper elucidates how the nature of technology conditions the structure of an emerging industry and reconfiguration efforts of heterogeneous firms in existing industry structures.

## Does CSR Improves the Performance of Martet Oriented Innovative Small and Medium Wineries?

Ana Pérez-Luño, *Pablo de Olavide University*

Maria Fuentes-Blasco, *Pablo de Olavide University*

Laura Sierra-Garcia, *Pablo de Olavide University*

This study seeks to increase the knowledge on the innovation literature by responding to the following questions: Does market orientation plays a positive role on Small and Medium wineries' innovation? Is this innovation related to superior performance? Is this relationship enhanced by CSR? We test these relationships in a sample of 143 wineries from Spain. The results obtained confirm the relationship between MO, innovation and performance. Such relationship is enhanced by CSR activities.

### SESSION 1091

## CROWDFUNDING

<b>TRACK K</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Studio D

**Session Chair:** Chiara Spina, *Bocconi University*

## Charismatic Rhetoric and Crowdfunding: An Exploratory Investigation

Jeremy Short, *University of Oklahoma*

Aaron Anglin, *Texas Christian University*

Charismatic rhetoric captures eight linguistic dimensions of charismatic language: collective focus, temporal orientation, followers' worth, similarity to followers, values and morals, tangibility, action, and adversity. We examine how such rhetoric effectively serves to attract resources using a sample of 1863 crowdfunding campaigns culled from Kickstarter. We also examine the extent to which project type impacts charismatic language usage and explore the possibility that use of charismatic language has changed over time as crowdfunding has evolved. Our results provide the first investigation linking charismatic rhetoric to rewards-based crowdfunding performance and indicate that product-oriented campaigns employ more charismatic rhetoric than artistic-oriented campaigns, use of charismatic rhetoric has increased over time, and the collective focus, followers' worth, tangibility, temporal focus, and action dimensions increase crowdfunding performance.

## The Reversed Gender Stereotype in Fundraising for Social Enterprises

Yanhua Bird, *Harvard University*

Junchao Li, *Tulane University*

Yiying Zhu, *Rice University*

Existing studies have been focusing on gender bias in entrepreneurial endeavors in the business sector. Our study looks into a rising "fourth sector of the economy" – social enterprises. Contrary to commercial organizations that aim to maximize profit, social entrepreneurs hold both a business purpose and a social purpose as their core missions. We seek to examine whether there is a "female advantage" when entrepreneurs raise funds in the social enterprise sector. Furthermore, what factors can moderate the gender stereotypes? In this study, we focus on business competence and team composition signals to unfold the contextual nuances of the reversed bias. Two survey experiments and the analysis of information about 408 social enterprises will be conducted to test our hypotheses.

## Planning and Experimentation Approaches to Entrepreneurship on a Funding Platform

Chiara Spina, *Bocconi University*

Charles Williams, *Bocconi University*

This study examines activities described by early-stage entrepreneurs on a crowdfunding platform. In these early-stage projects, we argue that systematic approaches to entrepreneurial decision-making – both planning and especially experimentation-based systems – will be valued by resource providers as a signal of the quality and the feasibility of new ventures. We conduct text analysis of 59,358 project descriptions of entrepreneurs seeking funds on Kickstarter and find that resource providers value systematic approaches to new venture creation such as planning or experimentation, and that entrepreneurs that describe experimental activities are more likely to obtain funding. We also conduct an online experiment to address causality concerns and find results largely consistent with the ones from Kickstarter.

## The Dynamics of Rewards-Based Crowdfunding: An Advantage for Social Ventures

Vanessa Burbano, *Columbia University*

Natalie Carlson, *Columbia University*

James Ostler, *University of Michigan*

Given the burgeoning use of crowdfunding platforms by entrepreneurial organizations, it is important to understand the dynamics and drivers of successful crowdfunding. Focusing on rewards-based crowdfunding, we describe the distinct firm-consumer/funder interaction on these platforms and show that the nature of this interaction creates advantages for socially-oriented ventures. Using a machine learning method to label Kickstarter projects from 2009 to 2016 as socially-oriented or not, we examine the relative success of these projects and shed light on the boundary conditions of the benefits of social orientation. Furthermore, applying topic modeling to Kickstarter rewards, we categorize rewards into types and examine the reward types that result in more successful projects for social, rather than non-social, ventures. This paper has important implications for scholarship on social entrepreneurship.





SESSION 1093		
LINKAGES BETWEEN START-UPS & LARGE FIRMS		
TRACK K	Date	Tuesday, Sep 25
	Time	16:00 – 17:15
Paper	Room	Forum I+J
Session Chair: Juha Uotila, <i>University of Warwick</i>		

Staying Close to the Parent: Employee Entrepreneurship and the Creation of Interdependent Ventures

Ha Hoang, *ESSEC Business School*  
Markus Perkmann, *Imperial College London*  
Simon Down, *Anglia Ruskin University*

Many entrepreneurial ventures are spawned from within organizations and previous research has pointed to potential adverse competitive consequences and staff loss. Our mixed methods study explores the decision of employees to initiate ventures that remain interdependent with their parent and benefit it with innovative solutions. Based on qualitative interviews with physicians in the UK’s National Health Service, we trace the pathway by which ventures intended to stay close to the parent came into existence. We further conduct a survey of physician-founders which suggests that their willingness to take charge and identification with the parent are important in explaining why they sought beneficial interdependence with the parent organization. Our findings have implications for spin-out research, the drivers of spin-out performance, and the changing role of physicians.

Startups and Large Corporation Collaboration: Prey or Partners?

Daniel Fehder, *University of Southern California*  
Yael Hochberg, *Rice University*  
Daniel Lee, *Rice University*

Despite their increasing importance for both sides, we understand little about the process generating alliances between startups and existing firms beyond corporate venture capital. While strategic investments are important, there are a broader set of relationships employed by firms that are not as easily observed. We use observational data in combination with a field experiment in a prominent networking event for healthcare startups to explore startup motivations to seek relationships with established corporations. In contrast to prior literature, we find that extremely small and early stage startups also express demand for relationship with large corporations, though not necessarily through investments. Our experimental evidence suggests that such small and early startups respond best to the possibility of gaining feedback from key corporate decision makers.

From Nokia to Slush: Incumbent Firms’ Decline and the Emergence of Entrepreneurial Ecosystems

Amit Kumar, *ESSEC Business School*  
Elisa Operti, *ESSEC Business School*  
Juha Uotila, *University of Warwick*

We study the emergence and evolution of entrepreneurial ecosystems using a longitudinal case study of the ecosystem that emerged in the Helsinki region after the downfall of Nokia. By tracking the development of multiple technological trajectories, we can identify both cases of success and failure in technological entrepreneurship and track their antecedents in terms of the institutional structures and human capital that influenced the evolving entrepreneurial context in the region. Our preliminary findings indicate that cognitive unlocking is a crucial process for the emergence of novel combinatory activity. By highlighting the role of field-level cognitive frames and of human capital affordances, we contribute to research on the emergence of entrepreneurial ecosystems which has thus far given only peripheral attention to the role of entrepreneurial cognition.

SESSION 975		
MANAGING HUMAN CAPITAL: INVESTMENT AND DEPLOYMENT		
TRACK L	Date	Tuesday, Sep 25
	Time	16:00 – 17:15
Common Ground	Room	Studio B
Session Facilitator: John Delery, <i>University of Arkansas</i>		

Advancing the Resource-Based View: Human Capital Investments and Consumer Satisfaction

Amit Jain Chauradia, *Indian School of Business*  
Chad Milewicz, *University of Southern Indiana*  
Rajagopal Echambadi, *University of Illinois at Urbana-Champaign*  
Jaishankar Ganesh, *Rutgers University*

In this paper, we seek to advance the resource-based view by challenging two assumptions common in prior work: the more the resources, the better and demand-side factors are less important than supply-side factors. Accordingly, we relax these two assumptions and theorize that beyond a certain level of investment in human capital resources, there are negative returns to consumer (demand-side) satisfaction with the firm. In addition, we hypothesize conditions in which excess human capital investments are important for improving consumer satisfaction, i.e., when the firm has a differentiated business model, more complex operating activities, and more advertising investments. We test the proposed hypotheses using a longitudinal dataset constructed from the airline industry.

Demand-side Attributes and Resource Reconfiguration in Human Asset Intensive Firms

Philipp Meyer-Doyle, *INSEAD*  
John Mawdsley, *HEC Paris*  
Olivier Chatain, *HEC Paris*

We investigate how demand-side attributes influence the reconfiguration of supplier firms’ micro-level resources, specifically, their human assets. Using fine-grained data on M&A legal mandates, we examine the impact of client-related factors for the configuration of lawyers deployed by law firms on clients’ incoming legal projects. We find that the depth and scope of a law firm’s relationship with the focal client have opposing effects on the reconfiguration of human assets, as do the client-specific attributes of client status and clients’ proclivity to switch its legal business between different law firms. Finally, we show that the size of a law firm’s client portfolio, which relates to resource management complexity, influences reconfiguration. Our study contributes to research literatures on resource reconfiguration, strategic human capital, and resource-based theory.

Too Much of a Good Thing? The Turnover and Performance Implications of Excess Human Capital

Frederick Bentley, *Binghamton University*  
David Allen, *Texas Christian University*

Although strategic human capital research leans toward a “more is better” perspective on human capital, research on overqualification suggests that employees with knowledge exceeding the requirements of a job may present a dilemma for organizations – with such employees simultaneously demonstrating higher performance and higher turnover than their peers. We draw on person-job fit and relative deprivation perspectives to examine how task variety moderates the effects of overqualification on employee performance and turnover. We then examine whether the performance benefits of overqualification extend to the unit-level, and suggest that such benefits depend on the environment in which the employees are managed. We test our hypotheses using a sample of technicians employed by a U.S. trucking company over a ten-year period.

## Does Strategic Autonomy Drive Employee Engagement?

Murat Tarakci, *Erasmus University Rotterdam*

Oguz Ali Acar, *City, University of London*

Does granting employees the freedom to work on their own projects, i.e., strategic autonomy, make them more engaged with their work? Although such practices are popular in business, their effectiveness is seldom investigated. We hypothesize and find empirical support in a field experiment of tax advisors that strategic autonomy positively affects engagement of employees only when these employees have high learning goal orientation—striving to develop one's skills and abilities.

## Do HR Executives Matter? Pay Rank and Firm Performance

James Guthrie, *University of Kansas*

Xuejing Xing, *University of Alabama*

Shan Yan, *Susquehanna University*

We use a comprehensive sample of large public firms in the U.S. to investigate whether and how human resource executives (HREs) affect firm performance. After controlling for self-selection, we find the presence of an HRE in the top management team (TMT) is significantly and positively related to firm performance (Tobin's Q). More important, invoking strategic human capital arguments, we find that the within-TMT total compensation pay rank of an HRE is also significantly and positively associated with firm performance. These results suggest that a firm's strategic emphasis on and investment in the HRE role or, more generally, the HR function, positively affects firm performance. Such evidence contributes significantly to several streams of research including executive compensation, strategic human capital, and strategic human resource management.

### SESSION 1049

## INTERNATIONAL PERSPECTIVES ON STAKEHOLDER STRATEGY

<b>TRACK M</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Forum G+H

**Session Chair:** Alejandro Carrera, *Austral University*

## Internationalization and Corporate Social Performance: An Institutional Approach

Xueji Liang, *Sun Yat-sen University*

Jane Lu, *CEIBS*

This study adopts an institutional approach to study the relationship between internationalization and corporate social performance (CSP). Building on the argument that national institutions are important determinants of firm CSP, this paper posits that according to the level of institutional diversity and institutional convergence, CSP can be categorized into two dimensions: the social dimension and the regulatory dimension. As firms internationalize, institutions diversify in the social dimension of CSP. While in its regulatory dimension, institutions tend to converge with internationalization. To the extent that institutional diversity decreases CSP and institutional convergence increases CSP, internationalization is expected to have a positive effect on the regulatory dimension of CSP, but a negative effect on the social dimension of CSP.

## Stakeholder Saliency in Latin America. Who really counts? An Empirical Study

Alejandro Carrera, *Austral University*

Adrian Caldart, *AESE School of Management and Business*

Magdalena Cornejo, *Torcuato Di Tella University*

It is quite consensual to state what kind of entity can be a stakeholder. Persons, groups, neighbourhoods, organizations, institutions, societies and the natural environment are thought to qualify as actual or potential stakeholders. Yet, at the time of establishing who or what are the stakeholders of the firm to whom (or what) managers consider when making decisions, disagreement emerges. An important contribution was the theory of stakeholder identification and saliency (Mitchell et al., 1997). In this paper, we look at stakeholder saliency in emerging markets. In doing so, we rely on a unique database composed by 687 Chief Executives based in the region. In addition to examining saliency in general, we analyse to what extent the views of Chief Executives are affected by contingency factors.

## International Diversification and Corporate Social Performance: A Closer Look

Jooyoun Shin, *Korea University*

Jungbien Moon, *Korea University*

We attempt to deepen the understanding on the corporate social performance (CSP) of multinational corporations (MNCs) by proposing a curvilinear relationship between international diversification and CSP of MNCs. Based on institutional theory, we hypothesize that the relationship between international diversification and CSP is an inverted-U shape rather than a linear one. We further hypothesize that this relationship is more conspicuous with social rather than environmental performance. Finally, we hypothesize that industry-level advertising intensity moderates this curvilinear relationship in a way that, for MNCs belonging to industries with higher advertising intensity, the peak of inverted-U curve lies at a lower level of international diversification. Our initial analysis using data from 1,965 US MNCs from 2007 to 2016 supports these hypotheses.

## Money for Nothing?: The Impact of Bribery on Knowledge Acquisition

Chomsorn Tangdenchai, *National Institute of Development Administration*

Asda Chintakananda, *National Institute of Development Administration*

This paper examines the relationship between bribery practices and knowledge acquisition across different societal institutions. We first develop a typology of bribery practices based on firm intention and expected outcomes. We then employ perspectives from the knowledge-based view and institutional theory, and hypothesize that the relationship between bribery and organizational learning depends on the type of bribery. For access bribery, the relationship is an inverted-U shape, but for settlement bribery, the relationship is negative. We then hypothesize that this negative relationship is accelerated in societies with higher levels of collectivism and power distance. Finally, we offer implications for research and managers and policy makers in reducing bribery practices.



SESSION 941  
COOPETITION STRATEGY AT DIFFERENT LEVELS

TRACK N	Date	Tuesday, Sep 25
	Time	16:00 – 17:15
Paper	Room	Studio F
Session Chair:	Frank T. Rothaermel, <i>Georgia Institute of Technology</i>	

Can My Enemies’ Friends Be My Friends? Allying With Competitors’ Partners  
Florence Honore, *University of Wisconsin-Madison*  
Darcy Fudge Kamal, *Chapman University*

Prior research has studied how firms working with competitors’ partners are affected by such competitive overlap. While the focus has been the outcome, we propose to study firms’ preceding decision: how does a potential competitive overlap affect partner selection? We argue that a risk of competitive overlap will decrease the likelihood of choosing a given partner. However, we argue this effect is moderated by the pair’s prior relationship, the partner’s other relationships, the potential quality of the pair’s product, and the potential for attention capture. We test our arguments in the Thoroughbred horse industry, which systematically collects and publishes horse owner and horse racing trainer vertical exchange relationships. This proposed study will have implications for strategic alliance scholars and top managers who face partner selection.

Coopetition by Micro-Firms: A Proximity-Based Theory  
Frédéric Le Roy, *University of Montpellier*  
Benjamin Mira, *University of Montpellier*  
Marc Robert, *GSCM Business School*

Studies on coopetition have typically focused on big firms. None has focused on micro-firms. To fill this research gap, this study therefore aims to describe how coopetition in micro-firms operates. We propose a theoretical framework based on the Proximity Law. It is illustrated and refined based on a study of micro-firms in the French real estate brokerage industry. This study shows the relevance of coopetition for micro-firms and identifies four characteristics of coopetition: micro-firm coopetitors form communities separated from other competitors by a “wall phenomenon”, micro-firm coopetitors develop a high sense of community belonging, micro-firm coopetitors hierarchize the members inside the cooperative network, and the wall of the cooperative community is not completely hermetic because there are “entry and exit doors”.

Inter-Team Coopetition and Time-To-Market  
David An, *EBS University of Business and Law*  
Markus Kreutzer, *EBS University of Business and Law*

In this paper, we investigate the impact of inter-team coopetition on time-to-market performance (TTMP) by examining three team organizational scenarios: team cooperation, inter-team competition and inter-team coopetition. Integrating social identity theory (SIT), we hypothesize that both inter-team competition and inter-team coopetition have a positive effect on TTMP with a stronger impact of inter-team competition. A high organizational identity will have a positive moderating effect on the relationship of inter-team coopetition and TTMP. Our findings are based on an experiment that simulates team performances by using the puzzle board game ‘Ubongo’. This paper will contribute to the field of coopetition research within the boundaries of the firm and extend SIT literature into an organizational team context.

Intra-Firm Coopetition and Innovation: A Longitudinal Study of Strategic Business Units at Samsung  
Chiunglu Hsu, *National Chiao Tung University*  
Jin-Su Kang, *National Chiao Tung University*  
Frank T. Rothaermel, *Georgia Institute of Technology*

A focus on internal knowledge networks has provided fresh insights into the sources of firm differences in performance. Yet, the problem of local search remains a thorny issue retarding firm-level innovation. While most research focuses on knowledge networks within atomistic firms, we focus on intra-firm knowledge networks within one large conglomerate. Our baseline propositions are that an inventor’s span of control and her reach within the intra-firm knowledge network are positively correlated to the breadth and depth of local search within the firm’s organizational and technological boundaries, respectively. Applying fine-grained, individual-level data we track the knowledge invention networks of different strategic business units within Samsung to test the notion that intra-firm coopetition helps to positively moderate a tendency towards local search and enhances innovation outcomes.

SESSION 998  
CEO SUCCESSION

TRACK O	Date	Tuesday, Sep 25
	Time	16:00 – 17:15
Paper	Room	Scene G+H
Session Chair:	Anthony Nyberg, <i>University of South Carolina</i>	

The Value of Succession Planning: Heirs, Market Reactions, and Performance Following Sudden CEO Death  
Eric Y. Lee, *University of Georgia*  
Timothy Quigley, *University of Georgia*

While CEO succession has remained an important topic of research, comparably little attention has been given to the process of and, by extension, the value of succession planning. That is, while scholars and practitioners alike argue the merits of rigorous succession planning long before a succession is imminent, the subject has garnered limited research attention. Further, many companies report not having a succession plan in place. In this study, we attempt to assess the value of CEO succession planning by considering the market reaction to and future performance of firms who lose CEOs suddenly. In preliminary analyses we find that firms suffering a sudden loss of a CEO fare better if a succession plan was in place as evidenced by the presence of an heir-apparent.

It’s Who You Are: Explaining the Antecedents of new CEOs Psychological Profiles  
Tessa Recendes, *Oklahoma State University*  
Federico Aime, *Oklahoma State University*  
Carlos Arturo Serna Garcini, *Oklahoma State University*

Given the implications that CEO psychological characteristics have for their organizations, we examine those characteristics as outcomes of the new CEO selection process. At the core of our theory is the realization that organizations may select CEO types based on particular configurations of characteristics that respond to their governance, competitive, or performance needs. We first develop a typology of CEO psychological profiles (the Prototypical Leader, the Positive Leader, the Traditional Manager, and the Self-centered Manager) by cluster analyzing a sample of 250 S&P 500 CEOs for which relevant psychological characteristics were assessed with valid scales utilizing a videometric approach. Then we hypothesize and find that firm size, industry dynamics, and board features, significantly affect the psychological profiles or types of the individuals selected as CEO.

TUESDAY 16:00 – 17:15

## The Role of Family Ownership in CEO Successions

Rob Langan, *IE Business School*

Rocio Bonet, *IE Business School*

Cristina Cruz, *IE Business School*

Extant literature on CEO successions has noted that sociopolitical factors play a determining role regarding whom is appointed CEO. We investigate the role of the owning family in CEO successions. We hypothesize that, owing to their unique set of interests, family firms will be more likely than non-family firms to appoint insiders and heirs apparent, and less likely to appoint financial specialists and that these differences will be attenuated during times of poor performance. We test our hypotheses on a sample of CEOs of public firms found in the Fortune 1,000 list between the years 2002-2013. Results show that family firms are more likely to appoint insiders and less likely to appoint financial specialists and that, in some cases, negative performance actually strengthens this effect.

## Unraveling the CEO Compensation-CEO Succession Paradox

Spenser Essman, *University of South Carolina*

Anthony Nyberg, *University of South Carolina*

Donald Schepker, *University of South Carolina*

Planning for and choosing a CEO successor is one of the most important responsibilities for a firm's board of directors. The literature has often focused on the choice of inside vs. outside successor; with inside candidates typically preferred by both the board and high power incumbent CEOs. The board-CEO dynamics may affect the choice of successor; however, we know little about how these dynamics prior to the succession event, influence the choice of successor. In this proposal, we investigate the role of CEO compensation in CEO succession planning. We describe a paradox whereby CEO compensation increases the likelihood of choosing an outside successor, despite preferences of the board and incumbent CEO, and articulate how boards can effectively co-manage CEO compensation and CEO succession.

### SESSION 1054

## IDENTITY IN STRATEGY: CROSS-LEVEL AND MULTI-LEVEL APPROACHES

<b>TRACK P</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Forum C

**Session Chair:** Tyler Wry, *University of Pennsylvania*

## Industry Shock, Categorical Identity, and Their Imprinting Effect on Hedge Funds' Performance during the Recession in 2008

Heewon Chae, *Arizona State University*

Edward Smith, *Northwestern University*

This study investigates how an external shock is imprinted on the identity of newly established organizations and examines the process by which the imprinted identity influences performance during the recession in 2008. We analyze whether equity market neutral (EMN) hedge funds founded in 1998 and 1999 developed a strong identity influenced by a drastic market condition during the founding period and suggest that their reinforced identity as being market neutral enabled them to survive and grow after 10 years during the great recession in 2008. This study contributes to research on imprinting and organizational identity by emphasizing the importance of categorical identity in organizations' internalizing external influences and by providing a mediating mechanism by which imprints have lasting effects on organizational performance.

## Individual, Group and Organizational Identities: A Process Model of Cross-Level Linkages

Camilla Curnis, *ETH Zurich*

Lien De Cuyper, *ETH Zurich*

Although the literature is saturated with works on identity at different levels of analysis (namely individual, group and organizational), the cross-level linkages therein are still poorly understood. Through a single case study based on a Swiss blockchain startup, we propose a process model describing how multi-level dynamics play out. We find that organizational identity traits stem from the salient and central role identities of constituents called "identity entrepreneurs" who institutionalize them. In a second phase, these individuals morph into "identity custodians" who cascaded the organizational identity traits to group level through three recurrent activities: saying, showing and staging. The study also illustrates how the external institutional reality directly contributes to shaping organizational identity.

## Innovating in Incumbent Firms: On Organizational Identities in the Age of Discontinuity

Sarah Stanske, *European University Viadrina Frankfurt*

Albrecht Söllner, *European University Viadrina Frankfurt*

Markus Vodosek, *German Graduate School of Management and Law*

Previous research has investigated how firms with an established organizational identity react and adapt to their environments. However, few studies have examined how such firms proactively introduce innovations. Drawing on participant observation, interview, and archival data, we investigated the interplay between organizational identity and dynamic capabilities on two different occasions at a medium-sized IT services firm. We develop a process model which discerns the micro-level activities of identity decoupling, recoupling, lagging, and synchronization in the firm's course of sensing, seizing and reconfiguring. We show how boredom among senior managers led to identity decoupling and how they struggled to subsequently recouple the identity. Identity lagging emerged during the reconfiguration phase which led to synchronization only after receiving external support.

## Professional Identity-Business Identity Conflict and Risk Taking in the Context of Healthcare Reform

Daniel Zyung, *Southern Methodist University*

Risk taking is essential for decision makers. The goal of this project is to understand the impact of the Affordable Care Act on healthcare providers, thereby contribute to our understanding on how organizations and their decision makers take risks vis-à-vis external stimuli. Preliminary analyses of primary experimental data show that multiple identities within healthcare professionals can indeed have important implications for their risk taking behavior. This offers a strong ground for further data collection to supplement the preliminary evidence found thus far and further examine the impact of industry reform on decision makers' risk taking behavior.





SESSION 1109  
**BEHAVIORAL EXPLANATIONS OF SHAREHOLDER BEHAVIOR**

TRACK P	Date	Tuesday, Sep 25
	Time	16:00 – 17:15
Common Ground	Room	Studio G+H

Session Facilitator: Nathan Bragaw, *University of Delaware*

**Activists and Advocates: The Effects of Shareholder Activism on Female Board Representation**

Ji Hae You, *Louisiana State University*  
Richard Benton, *University of Illinois at Urbana-Champaign*  
In this paper, we explore an important antecedent of female board representation: shareholder activism. Drawing on institutional theory, we predict that firms targeted by shareholder activists due to the lack of women on boards are likely to improve gender diversity in their boardroom to earn more legitimacy and protect themselves from further pressures. In our preliminary analysis using shareholder proposals on board diversity for S&P 1500 firms from 1997 to 2013, we found that firms that received shareholder proposals on board diversity tend to increase the number of women on their boards. Also, we found that the effect of shareholder proposals is weaker when the firm has a female CEO and demonstrates strong performance, because these factors can protect them from external pressure.

**The Everyday Investor: Perceptions of CEOs and Activist Targeting**

Amanda Cowen, *University of Virginia*  
Nicole Montgomery, *University of Virginia*  
Christine Shropshire, *Arizona State University*  
Shareholder activists increasingly target individual CEOs for replacement, launching expensive campaigns to oust chief executives. As proxy fights require voting by all shareholders, it is important to understand not only activist positions, but retail investor responses to these campaigns. Research on gender norms and role congruity reveals a number of challenges that women face in advancing to corporate leadership. In light of emerging evidence that female CEOs are particularly likely to be targeted by activists, we investigate whether CEO gender influences how investors respond and what mechanisms help explain these differences. Preliminary results from our experimental design indicate support for predictions that investors perceive female CEOs—and activist campaigns toward female CEOs—differently, which may explain differences in investor behavior following these campaigns.

**The Politics of Angels: The Impact of Political Ideology on Entrepreneurial Investment Decisions**

Y Sekou Bermiss, *University of Texas at Austin*  
Laura Huang, *Harvard University*  
Min Ju Lee, *University of Pennsylvania*  
In this paper we examine how an investor’s political ideology shapes their entrepreneurial investment decisions. Integrating insights from research on entrepreneurial financing and political ideology we suggest that an investors personal perceptions, attributions, and in turn, emotional appraisals are shaped by personal political ideology. We develop and test our hypothesis using survey and archival data on the ideologies and behaviors of angel investors in the United States.

**Who Violates Expectations? Categorization, Framing, and Market Reaction to Acquisition Announcements**

Radina R. Blagoeva, *Erasmus University Rotterdam*  
Korcan Kavusan, *Erasmus University Rotterdam*  
Justin Jansen, *Erasmus University Rotterdam*  
Although acquisitions are commonly used by firms to enhance competitiveness, investors generally react negatively to acquisition announcements. Scholars have recently proposed that such negative response is explained by investors’ perceptions of acquisitions as violating expectations for shareholder value creation. We develop a theory regarding the heterogeneous expectations that investors hold for different firms and how such differences might capture the variance in their reaction to acquisition announcements. We propose that investors would react negatively to acquisitions announced by acquirers perceived as dividend stocks and positively to the ones by growth stocks. Strategically framing the motivation behind the acquisition to align with the perceived market category of the acquirer would benefit both types of firms. Framing would be particularly effective when acquirers’ performance variability is high.

**Explaining Bi-Directional Spillovers from the Same Event: Theory and Evidence from CEO Deaths**

Seok-Hyun Hwang, *Northwestern University*  
Edward Zajac, *Northwestern University*  
In this proposed study, we unpack why a single event affecting a focal firm may be expected to have opposing spillover effects to other related firms. We contextualize our theorization and our specific hypotheses by focusing on how the sudden death of a CEO triggers spillover effects onto other listed firms. We contrast the positive spillover predictions based on competitive interdependence with negative spillover predictions based on entitativity perception due to category similarity. In particular, while competitive interdependence is captured by industry-based categories, we focus on size similarity, geographic proximity, and demographic similarity of CEOs to investigate mechanisms behind the category similarity. We plan on testing our predictions by examining investor reactions of all listed firms to sudden deaths of CEOs between 1993 and 2016.

**Be Prepared or Be Spontaneous: The Costs and Benefits of Top Managers’ Scripted Communication**

Wei Guo, *Hong Kong Polytechnic University*  
Tieying Yu, *Boston College*  
Metin Sengul, *Boston College*  
Using a novel measure developed in computational linguistics, we propose to examine the extent to which top managers adhere to predetermined scripts when answering audiences’ questions during corporate earnings conference calls. Building on the literature on organizational impression management, we argue that the use of a more spontaneous communication style (i.e., less scripted) by top managers may help managers to establish an image of higher transparency and hence influence investors’ perception of their firms. Considering the potential costs of speaking extemporaneously for top managers, we also propose that such communication style may increase the divergence of opinions among investors. We plan to test our hypotheses using a sample of 43,741 quarterly earnings conference call transcripts for 2,370 firms over the period from 2002 to 2012.

## SESSION 1062

**DEEPER METHODS**

<b>TRACK R</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	16:00 – 17:15
<b>Paper</b>	<b>Room</b>	Auditorium

**Session Chair:** Donald Bergh, *University of Denver*

### The Presence of Scientific Apophenia and Statistical Errors in the Management Field's Most Impactful Articles

Donald Bergh, *University of Denver*  
 Barton Sharp, *Northern Illinois University*  
 Ming Li, *University of Liverpool*  
 Andrew Schnackenberg, *University of Denver*  
 Sung Soo Kim, *University of Denver*  
 Paul Seaborn, *University of Denver*

Recently, studies have uncovered inflated and incorrect statistical results reported in strategic management research. The present study examines whether these issues also reside in the highest impact empirical articles published in leading scholarly management journals. We examine the reported results in these articles using complementary methodological approaches that focus on different dimensions of accuracy: one uses a simulation to test whether results collectively show evidence of being exaggerated to achieve significance (Goldfarb and King, 2016), another examines the reproducibility of individual reported findings (Bergh et al., 2017) and a final test assesses the accuracy of reported statistical significance values (Bakker and Wicherts, 2011). Such examinations are a critical step for assessing and ensuring the credibility of the field's knowledge base (Kepes et al. 2014).

### Examining Endogeneity in Strategic Management Research with the Impact Threshold of a Confounding Variable

John Busenbark, *University of Georgia*  
 Elle Hyunjung Yoon, *University of Georgia*  
 Daniel Gamache, *University of Georgia*

Scholarship on endogeneity argues its deleterious effects are ubiquitous in strategy research, which is troublesome because remedies for the problem are often ineffective or can exacerbate bias. In this study, we investigate the extent to which omitted variables appear to have created flawed causal inference in SMJ, and we explicate a novel technique called the impact thresholds of a confounding variable (ITCV). We find only 19% of the relationships in our content analysis of SMJ likely featured biased causal inference owing to an omitted variable. Accordingly, we contend endogeneity may not represent as much of a concern for strategy scholars as extant treatments of the topic intimate. This study has implications for selecting appropriate empirical estimators, and it demonstrates a nascent technique in strategy research.

### Investigating the Uncertainty of Hypothesized Effects Using Graphs

Andreas Schwab, *Iowa State University*

Strategic management decisions are inherently risky and related outcomes to a degree always uncertain. Consequently, empirical studies to build strategic management theory need to investigate not only the direction and average size of effects, but also the uncertainty of these effects. Current research published in academic management journals tends to focus on dichotomous likelihood evaluations employing statistical significance tests. This is not sufficient. Hence, management researchers should consider using graphs to communicate the observed distribution of hypothesized effects in order to evaluate and discuss effect uncertainty. Such graphs promise to support theory building and to offer more meaningful guidance to practitioners and policy makers.

### Qualitative Comparative Analysis in Strategic Management and Entrepreneurship Research: A Step-By-Step Approach

Petteri Leppänen, *Technical University of Munich*

A rich history in strategic management and entrepreneurship research has explored how differing groups of firms such as archetypes, taxonomies, typologies, and configurations help us understand the determinants of organizational performance. We illustrate the potential for set-theoretic methods to inform this literature by offering best practices regarding how qualitative comparative analysis (QCA) can be used to explore research questions of interest to management scholars. Specifically, we introduce QCA, document how this technique has been used in management research, and provide step-by-step guidance to empower scholars to use this family of techniques to study complex management phenomena. We put a particular emphasis on the analytical procedures and offer solutions to dealing with potential pitfalls when using QCA-based methods.

## SESSION 1078

### EFFECTIVENESS OF DIFFERENT TEACHING METHODS: EMPIRICAL RESULTS

<b>TRACK T</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	16:00 – 17:15
<b>Common Ground</b>	<b>Room</b>	Studio I+J

**Session Facilitator:** Robert Scott Livengood, *Arizona State University*

### Strategy Simulation Games and Student Engagement.

Tim Rogmans, *Zayed University*  
 Wasseem Abaza, *Zayed University*

Despite the increasing and enduring use of business simulation games in strategy education, little is known about their effectiveness as learning tools. This study assesses the impact of an international strategic management simulation game (CESIM Global Challenge) on levels of student engagement at a University in the United Arab Emirates, as measured through quantitative self-reports obtained through a survey among students. The results are compared to engagement levels experienced in more traditional classroom based case discussions. The research concludes that there is a negative correlation between simulation game use and student engagement. Several potential explanations are advanced to account the unexpected results.

### Infusing Experiential Learning in Strategy Education

Candace TenBrink, *University of Houston*  
 Artem Malinin, *University of Houston*

This study attempts to bridge a gap between traditional teaching efforts, in particular a text and lecture based model, and a pedagogical style that embraces experiential learning. This study highlights key aspects of how an experiential learning model was deployed, operated, and measured in a senior level, business strategy class. Preliminary results indicate the students learned more participating in an experiential class versus a traditional class.

### Large Classes: Better Results with Blended Learning

Erik Wilberg, *BI Norwegian Business School*

A study of large classes in a strategy course at the Norwegian Business School in Oslo revealed that enhanced use of blended learning activities led to higher student satisfaction. We wanted to explore this question because we have had a course that has been delivered by the same teachers, with the same textbook and supporting pedagogical elements in two semesters – fall 2015 and fall 2016. In the 2016 fall semester the influence of blended learning elements was much more integrated and developed in the pedagogical plan than in the previous year. The aim of this exploratory study was to find out if introduction of additional blended classroom elements would give higher student satisfaction. And the survey results showed a clear improvement.



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## Knowledge Spillover from Higher Education: The Case of Students' Master Theses

Carl-Johan Asplund, *Lund University*

Lars Bengtsson, *Lund University*

Most firms and organizations are primarily interested in higher educated students rather than progress in university research (Bramwell and Wolfe, 2008). In a knowledge spillover perspective we can distinguish three types of knowledge spills from industry: knowledge spillover into established firms and organizations, knowledge spillover to entrepreneurship, i.e., new firms and, knowledge spill-in to research. This investigation focus on master theses completed at the end of four or five years of study at the business school and engineering school at Lund University (LU). Results show that the engineering school's master theses have substantial knowledge spillover especially to regional industry while it is limited at the business school. The same pattern is evident for research spill-in. Spillover to entrepreneurship is marginal.

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## Strategy Teaching at Business School: Contemporary Challenges

Yulia Aray, *St. Petersburg State University*

Olga Verkhovskaya, *St. Petersburg State University*

Tatiana Klemina, *St. Petersburg State University*

The paper focuses on problem, which business schools all over the world face and which is connected with the necessity to include concepts and instruments of strategic management valuable for the managers into the syllabus of the courses. The purpose of the pilot study is to determine the existing conformity of strategic management course syllabus and the Russian managers' perception of sources of competitive advantage. The results of the analysis indicate that managers link the sources of competitive advantage with better position of the company in the external environment, that leads to greater interest in learning appropriate strategic tools. The findings raise serious challenges for strategic management teaching and put into question the usefulness of proactive development of competences in strategic management education.

## SESSION 1014

**UNCONVENTIONAL SOLUTIONS TO RESOLVING  
STAKEHOLDER CONFLICT**

<b>TRACK A/M</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	17:30 – 18:45
<b>Paper</b>	<b>Room</b>	Forum F

**Session Chair:** Sinziana Dorobantu, *New York University*

**Contracting Beyond the Market: Property Rights, Externalities, Historical Conflict, and Contractual Agreements with Nonmarket Actors**

Sinziana Dorobantu, *New York University*

Kate Odziemkowska, *University of Pennsylvania*

Despite firms' growing engagement of nonmarket stakeholders, little attention has been devoted to understanding the emergence of contractual relationships between firms and nonmarket stakeholders. Grounding our inquiry in transaction cost economics where governance is a means to infuse order into a relation where potential conflict threatens value creation, we theorize three dimensions of a firm-stakeholder relationship that influence the potential for conflict and therefore the probability of contracts: property rights, externalities and history of conflict. Empirically, we leverage historical assignment of Canadian indigenous communities' property rights and their watershed co-location with mines (i.e. externalities), and find support for our propositions by examining which of 4,414 firm-community dyads (involving 457 communities and 85 mining firms) have signed 190 contracts between 1999 and 2013.

**Putting Strategy into Strategic Action Fields: Political Parties and the Use of Gherao in Bengal**

Arijit Chatterjee, *ESSEC Business School*

Sunair Dutta, *University of Minnesota*

Hayagreeva Rao, *Stanford University*

We study how challengers and incumbents use a disruptive tactic in strategic action fields (SAFs). We suggest that challengers and incumbents face trade-off between getting attention versus alienating supporters. We analyze the use of a gherao, or taking the boss hostage, by the Congress Party (the challenger) and the Communist Party (the incumbent) in districts of Bengal. Our results show that challengers use the gherao where they are closely matched with incumbents, are less likely to gherao when there is a legacy of conflict resolution and are more likely to gherao after festivals. Both challengers and incumbents gherao private firms and then escalate contention into the public field by targeting state-owned enterprises. These results inject strategy and action into the construct of SAFs.

**Corporate Green Bonds**

Caroline Flammer, *Boston University*

This study examines corporate green bonds, a new practice in the corporate landscape. I document that the issuance of corporate green bonds has become more prevalent over time, particularly in industries where the natural environment is financially material. I further document that green bonds yield i) positive announcement returns and improvements in long-term value, ii) improvements in environmental performance (specifically, an increase in the company's environmental rating, a decrease in emissions, and an increase in green patenting), and iii) an increase in ownership by long-term and green investors. Overall, these results indicate that green bonds are effective—companies invest the proceeds in projects that improve the company's environmental footprint and contribute to long-term value creation—and help attract an environment-sensitive investor clientele.

**FDA Safety Alerts and Firm Lobbying: The Friday Effect and its Consequences**

Luis Diestre, *IE Business School*

Benjamin Barber IV, *IE Business School*

Juan Santalo, *IE Business School*

We integrate CPA and impression management literatures to explore whether lobbying allows firms to influence the timing of FDA safety alerts. We show that alerts announced on Fridays experience a lower diffusion by healthcare experts and the media. Furthermore, we find that firms who lobby the FDA are more likely to have safety alerts for their drugs announced on Fridays, and that this effect is stronger for severe alerts. Finally, we explore the public health implications of the lower diffusion of Friday alerts and find that, although safety alerts are effective in reducing patients' adverse effects, this effectiveness is substantially lower for Friday alerts. These alerts are associated with 30% more deaths, 28% more serious adverse events and 26% more adverse events in general.

## SESSION 896

**BUILDING (NEW) ECOSYSTEMS**

<b>TRACK E</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	17:30 – 18:45
<b>Parallel Panel</b>	<b>Room</b>	Loft G

**Session Chair**

Michael G. Jacobides, *London Business School*

**Panelists**

Annabelle Gawer, *University of Surrey*

Chris Grantham, *IDEO*

Constance Helfat, *Dartmouth College*

The redefinition of firm and industry boundaries and the proliferation of new ecosystems and platforms spanning different sectors have brought about new products, services, and business models. This session build on recent and ongoing research to explore not only what are the changes going on, but also how can firms successfully navigate them. Annabelle Gawer will build on her work on platforms and ecosystems to identify what facilitates or hinders systemic change; Connie Helfat will discuss the types of capabilities needed to navigate change; and Michael Jacobides will look at the challenges in shaping new ecosystems, including the lessons from recent work by IDEO, to be presented by Chris Grantham, their Circular Economy Co-Lab director, who helps firms to radically redesign sectors such as clothing.





## SESSION 1065

**BORROW AND/OR BUY**

<b>TRACK F</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	17:30 – 18:45
<b>Paper</b>	<b>Room</b>	Studio A

**Session Chair:** Xiaoli Yin, *Baruch College–CUNY*

### **Borrow and Buy: Complementarity and Substitutability of Acquirers' Alliances and Technology Acquisitions**

Paul Nary, *University of Pennsylvania*

What is the relationship between a firm's alliances and its acquisition choice? I argue that alliances may not only substitute for, but also be complementary to technology acquisitions. I highlight the influence of the acquirer's alliances for its technology acquisition choice. I find evidence supporting my claims using a sample of 208 large, public, high-tech US firms over 15 years. I contribute to corporate strategy and technology management research by showing how firms' boundary choices are influenced not only by internal, but also by external resources accessible through their alliances. I also address the puzzle of why firms engage in seemingly unrelated acquisitions by showing that sometimes, such transactions may be indirectly related and complementary to the acquirer through its alliance portfolio.

### **Industry Determinants of the "Merger versus Alliance" Decision: An Analysis of Manufacturing Industry**

Xiaoli Yin, *Baruch College–CUNY*

Mark Shanley, *University of Illinois at Chicago*

Mina Lee, *Xavier University*

M&As and alliances are potential alternative choices for managers and Yin and Shanley (2008) propose three dimensions of industry conditions that are likely to be influential in such choices. In this paper, we intend to empirically replicate and extend Yin and Shanley's (2008) study by testing hypotheses about how industry-level factors influence firms' choices between M&As and alliances in the U.S. manufacturing sector from 1985 to 2010. Consistent with Yin and Shanley (2008), capital intensiveness, human asset intensiveness, technological uncertainty, and regulatory environment are found to be influential in firms' relative preferences for M&As or alliances. As an extension, we find support for the importance of industry learning-by-doing measure developed by Balasubramanian & Lieberman (2010, 2011) in the mergers versus alliance decision.

### **The Alliance Formation of Japanese Keiretsu Member Firms**

Tianyou Hu, *King Fahd University of Petroleum and Minerals*

Andrew Delios, *National University of Singapore*

Shu Yu, *City University of Hong Kong*

We investigate the alliance formation of firms affiliated with Japanese business groups (keiretsu affiliates) and their strategies of choosing suitable partners. Although keiretsu affiliates exchange resources with same-group peers, they would form alliances with external partners to complement their network. Accordingly, we set out to explore how keiretsu affiliates form external alliances by evaluating three factors that could affect their decisions: environmental uncertainty, collaborative uncertainty, and inter-keiretsu competition. Our analysis has shown that keiretsu affiliates would form alliances with external partners to complete their capabilities when environmental uncertainty is high. This preference will be reinforced as they gain more experience in external alliances. Meanwhile, keiretsu affiliates consider collaborative uncertainty, in that they prefer external keiretsu affiliates to stand-alone to cope with a highly uncertain environment.

### **How Power Crowds Out Creativity: Integrating Culture Related Design Competencies in International Feature Film Production**

Christian Opitz, *Zeppelin University*

Frederic Gruninger, *Zeppelin University*

Wolfgang Burr, *University of Stuttgart*

The effective utilization of culture related design competencies constitutes an important source for differentiation and, hence, competitive advantage. We consider international alliances in the movie industry as a means for an external acquisition of this particular resource bundle. Our theoretical analysis combines RBT with TCE and suggests, that the realized integration benefits may crucially depend on the distribution of power between the allies. Unequal power distributions bear the risk of creativity being crowded out. Moreover, a dynamic transformation of mutual resource interdependency may shift an equal initial power towards imbalance. We test our hypothesis by drawing on a larger sample of individual film projects. The results are consistent with our theoretical conjectures and provide theoretical as well as managerial implications.

## SESSION 1067

**IPO**

<b>TRACK F</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	17:30 – 18:45
<b>Common Ground</b>	<b>Room</b>	Studio B

**Session Facilitator:** Markus Fitza, *Frankfurt School of Finance & Management*

### **✿ Going Private as a Solution to Public Market Disagreement: Information Asymmetry, R&D Investments, and Privatizations**

Rosa Kim, *University of Minnesota*

Today, we see less than half of the public companies that existed in the US two decades ago. In this paper, I study one side of this phenomenon, i.e., the persistent level of delists in relation to companies' strategic decisions and the limits of public equity markets. Building on prior literature that suggests going private as an extreme solution, I argue that companies with complex investment strategies may choose to delist, especially in the presence of investor disagreement. Through a parametric test of maximum likelihood model, I find empirical support from data on domestically listed companies in the US during 1997-2014 that show higher likelihood of privatization outcomes for those with higher industry-relative R&D investments, with mediation by public market disagreement.

### **What Happens To Firms After Their IPO? Stylized Facts of Survival**

Asli Musaoglu Arikan, *Kent State University*

The delisting of firms from public equity markets occurs three times more than the IPO of firms. Yet, we have limited understanding of this prevalent corporate event. Using a comprehensive panel dataset which includes 4,350 firms that have their IPO in 1988-2000 we follow each firm over 1988-2011 or until it is delisted either for a cause (by the stock exchange) or by acquisition. We present stylized facts based on graphical and numerical descriptive statistics to reflect how firm characteristics (growth opportunities, age, size), period (merger boom) and cohort effects (IPO market); industry context (sectors, 2-digit industries); and acquisition rate (as another coexisting phenomena) are related to delisting. The stylized facts present a contrast to the often-generalized within-industry findings.

## The Role of Rhetorical Modes in Firm Uncertainty and Performance

Michael McLeod, *Wichita State University*  
 Keith Brigham, *Texas Tech University*  
 Gaylen Chandler, *Wichita State University*  
 G Tyge Payne, *Texas Tech University*  
 Joshua Sears, *Texas Tech University*

Entrepreneurs utilize storytelling to shape firm identity in order to secure investment capital. In this study, we go beyond the content of the storyline to investigate the method of rhetorical argumentation employed within the storyline. Viewing rhetoric as the art of persuasion, we examine how firms use different rhetorical modes to persuade prospective investors to invest in their initial public offerings (IPOs). We submit that for the rhetorical mode (i.e., logos, pathos, or ethos) to positively affect IPO performance that it must fit the uncertainty surrounding the IPO. Utilizing computer-aided text analysis, we analyze 644 IPO prospectuses. We find that logos fits low uncertainty environments while pathos and ethos fit high uncertainty environments. Further, misalignment between firm and industry uncertainty attenuates rhetoric efficacy.

## Intergenerational and Status Effects on Female Top Management Team Promotions in US IPO's

Brandon Fleming, *University of Washington*  
 Sophie Leroy, *University of Washington Bothell*

This research proposal builds on generational identity and status research to examine when CEO's and boards promote women to top management positions in US IPO firms. Although more women are entering the accounting profession than men, there remain few CFO's in public firms that are women. We propose to examine the history of board and top management teams during the period 1997-2011 to determine the factors driving the promotion of women to CFO and other top management positions. We test for the impact of women in top management on IPO performance. We also propose a controlled experiment to further test for generational identity and status effects on female promotion.

## Initial Public Offerings: An Internal Stakeholder Perspective

Tyler Whittle, *Stanford University*  
 Charles Eesley, *Stanford University*

In this study, we explore the effect of going public on a highly relevant internal stakeholder: employees. To predict the effects of initial public offerings (IPOs) on employees we utilize stakeholder theory. Building on studies related to institutional pressures, trust, and value creation, we hypothesize that going public will negatively impact intangible aspects of the organization related to employees. Specifically, we predict that going public will reduce organizational transparency and benevolence as well as overall employee satisfaction. To test these hypotheses, we build a unique data set of approximately 130,000 reviews posted to Glassdoor.com for 666 companies that went public between 2010 and 2017. Our results show that going public does indeed have a negative impact on employees.

## Organizational Identity Change and Stakeholder Influence: The Role of Power in Shaping 'Who We Are'

Miles Zachary, *Auburn University*  
 Jonathan Bundy, *Arizona State University*  
 Nathan Hayes, *Texas Tech University*  
 G Tyge Payne, *Texas Tech University*

Organizational identity change has become a topic of considerable interest among strategic management scholars. Despite this attention, it remains unclear the extent to which stakeholders play a role in affecting identity change. In this study, we address this issue by considering how organizational identity changes following an initial public offering (IPO). In particular, we examine how the IPO event punctuates changes in organizational identity and how changes in ownership and corporate governance influences these changes. Using a longitudinal sample of 236 US IPO firms between 2009

and 2012, and an inductive topic modeling approach, we examine if and how the introduction of a new, powerful stakeholder group—i.e., public investors—influences organizational identity change over time.

## SESSION 1128

### CAPABILITY STRATEGIES: SPOTLIGHT ON SUBSIDIARIES

<b>TRACK G</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	17:30 – 18:45
<b>Paper</b>	<b>Room</b>	Forum E
<b>Session Chair:</b>	Edward Gillmore, <i>University of Dundee</i>	

## The Impact of (De-)Globalization on Capability Strategies

Paula Kilpinen, *Aalto University*

Capabilities-based strategies have informed strategic and international management scholarships when seeking to explain internationalization processes and competitive advantage in the global context. It has been argued that the dynamic processes of capability development and transfer underpin the creation and development of firm-specific advantages, and that by means of capabilities multinational corporations (MNCs) both adapt to and influence changes in their environment. In order to inform the conference theme, this manuscript addresses the following research question: How does globalization impact capability strategies within the MNC? We address this research question by means of process research and in-depth case studies. This paper proposes four different capability strategies by which MNCs adapt to and address changes within the global business environment, and may cope with the (de-)globalisation phenomenon.

## Transformation of a Subsidiary into Springboard: Antecedents and Outcomes

Nina Magomedova, *International University of Catalonia*  
 Fariza Achcaoucaou, *University of Barcelona*  
 Paloma Miravittles, *University of Barcelona*

Global competition pushes multinational companies to look for new unconventional strategies that facilitate expansion in distant markets. Among others, an indirect expansion into a target region through an intermediate level unit, called springboard subsidiary appears to be particularly effective. This paper presents an exploratory analysis of factors that cause the transformation of the role of ordinary subsidiaries into springboard. Results obtained through case study methodology evidence that the development of springboard subsidiary's role is influenced by diverse antecedents and occurs through an unintended strategy making. We contribute to International Business literature by proposing key causes that boost springboard subsidiary formation, finding that its use can result in the acceleration of MNC international expansion.

## Transition-based Advantage: Emerging Market Multinationals in Africa

Krzysztof Obloj, *Kozminski University*  
 Aleksandra Wasowska, *University of Warsaw*

We address the following question: how companies from post-transitional economies of CEE void of typical country-specific advantages and with limited resources, internationalize in difficult environments of economies of Sub-Saharan Africa? We offer a nuanced view of challenges of liabilities of foreignness, origin, and resources limitations in the internationalization process. Our study reveals how firms strategically manage their initial disadvantages by leveraging 'transition-based' narratives and their initial set of (unfavorable) home-country and organizational conditions. They accentuate and attenuate their internationalization entry process in ways to develop the strategic resource of pragmatic and moral legitimacy in the eyes of local stakeholders. Thus, they are able to manage and at least partially overcome their liability of foreignness and psychic and institutional distances, and build local competitive advantage.



## Subsidiary Human Capital, Innovation, and Growth of MNE Subsidiaries

Mayank Sewak, *University of Massachusetts, Amherst*

Anurag Sharma, *University of Massachusetts, Amherst*

Garima Garg, *University of Massachusetts, Amherst*

We examine the relationship between MNE subsidiary investments in human capital, which in-turn leads to superior managerial capabilities, local R&D investments and growth of the subsidiary. We posit that subsidiary managerial capabilities combine parent knowledge and local market knowledge to sustain and augment the dual role of manufacturing and knowledge work. This combination results in a three-way interaction with subsidiary managerial capabilities, enabling creation of unique resources and capabilities within the subsidiary. In addition, the human capital supports capturing of a larger market share in the host country and the local knowledge investments mediates this relationship. We find support upon testing our theoretical model on dually engaged manufacturing subsidiaries in India.

### SESSION 1052

## PLATFORMS & ECOSYSTEMS STRATEGIES

<b>TRACK H/N</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	17:30 – 18:45
<b>Paper</b>	<b>Room</b>	Auditorium

**Session Chair:** Sotirios Paroutis, *University of Warwick*

## Creating a New Platform Ecosystem by Drafting Off Another

Saeed Khanagha, *Ericsson*

Luciano C. Oviedo, *Intel*

Shahzad Ansari, *University of Cambridge*

Sotirios Paroutis, *University of Warwick*

How can established firms respond to a technological platform that undermines their competitive position? When outcompeting the incumbent platform is not feasible, creation of a new platform that complements, but does not disturb, the existing one is an alternative option. Using an ethnographic study of Cisco's creation of Fog computing in response to the rise of Cloud computing, we identify a web of symbolic and material strategies that evolve over time to support creation and scaling of a new platform. We theorize how: 1) drafting off can be pursued as an alternative path towards platform creation, 2) different and temporally shifting symbolic and material strategies matter to address dilemmas revolving around new platform creation, and 3) firms address multiple intertwined strategic dilemmas during major transitions.

## Platform Revolution Traps into Unfolded Real Options Embedded in the Nascent Ecosystem

Hongjen Chiu, *National Taiwan University*

To proactively deal with strategic traps into unfolded real options, it is important to assess the necessity for the platform owner to make sequential strategic moves. We intend to examine the extent to which strategy-relevant capabilities evolve in line with platform competition. Inter-platform coordination and integration become gradually constrained by the firm's internal success traps and misalignment of operating routines and environmental dynamism. Such constraints could lead to weak compromises on architectural design of the firm's integrative platform. As a result, they create a vicious cycle of resource allocation deferral or failure. Our findings showed that in eBay's platform evolution, both acquired platforms with equal intensity concurrently between 2005 and 2011 suffer declining performance led to failed migration into a nascent platform ecosystem.

## Ecosystem Emergence as a Strategic Transformation of Activity Systems: Towards a Process Model

Joachim Stonig, *University of St. Gallen*

Torsten Schmid, *University of St. Gallen*

Guenter Mueller-Stewens, *University of St. Gallen*

The emergence of new collaborative forms of value creation, such as business ecosystems, requires incumbent firms to transform entire business sectors as well as their internal activities. This paper uses an in-depth case study of an automotive supplier to provide further insights about how an incumbent can become an ecosystem leader. Our findings show that the focal firm shaped ecosystem emergence by leveraging client dynamics to establish activities around a new value proposition, and by adjusting its internal activity system gradually to support the emerging ecosystem and to resolve misfits. The external and internal changes were influenced by dynamics that were uncontrolled by each individual ecosystem member. Our findings establish a multilevel process model, using an activity system perspective.

## Venture Capital Portfolio Investment Under Uncertainty: Real Options and Networks

Yong Li, *State University of New York at Buffalo*

Haibin Yang, *City University of Hong Kong*

While prior research has approached decision-making under uncertainty from either real options or social network perspective, a joint consideration of both theories sheds additional insights. We first propose that uncertainty in a strategic domain has a negative effect on a VC firm's portfolio depth in that domain but a positive effect on the firm's portfolio diversity across strategic domains. We further hypothesize that a VC firm's within-industry centrality accentuates the negative effect of uncertainty on portfolio depth, and reinforces the positive effect of uncertainty on portfolio diversity. However, a VC firm's within-industry brokerage attenuates the negative effect of uncertainty on portfolio depth, and weakens the positive effect of uncertainty on portfolio diversity. Analyses of VC investments in the U.S. during 1976-2015 largely support our thesis.

### SESSION 1020

## BEHAVIORAL UNDERSTANDINGS OF INNOVATION

<b>TRACK I</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	17:30 – 18:45
<b>Paper</b>	<b>Room</b>	Forum C

**Session Chair:** Nilanjana Dutt, *Bocconi University*

## Ambiguity Aversion and the Behavioral Foundations of Project Selection in the Sciences

Daniel Fehder, *University of Southern California*

Yael Hochberg, *Rice University*

Daniel Lee, *Rice University*

This study develops theory and uses a preference elicitation experiment in concert with observational and bibliometric data to explore the supply side of innovative research. Specifically, we model the impact that attitudes towards risk and ambiguity have on research production for early career scientists. We then structurally estimate these preferences to see if they are reflected in project selection and career choice. Our results are indicative of the need to understand the disposition of scientists in order to construct better incentives for scientific research and innovative activity.

## Do Firm-Specific Shocks Help or Hurt: How Firms' Inventive Routines Change After a Product Recall

Anna Fung, *University of Washington*

Mukund Chari, *University of Colorado, Boulder*

Abhishek Borah, *University of Washington*

Firms' routines keep them running when business operates normally. These routines, however, can be affected by unanticipated negative events, such as involuntary product recalls. Although debilitating in many ways, these shocks can incentivize firms to change their routines. We study these changes to inventive routines by combining patent and product recall data across 19 years (1987 to 2006) for automotive firms in the United States, using keyword matching between the patent and product recall descriptions. Our findings show that, in response to unanticipated negative shocks, firms override their established inventive routines. We deconstruct these inventive routines into knowledge creation and knowledge search routines. Large firms that face a product recall are more likely to generate novel knowledge and less likely to use their own knowledge.

## The Dual Role of Uncertainties in Markets for Technology: Evidence from the U.S. Electricity Industry

Nilanjana Dutt, *Bocconi University*

Colleen Cunningham, *London Business School*

Markets for technology have been shown to be beneficial in driving economic activity by increasing industry competition and promoting the development of new technologies. Prior research suggests that both the industry life-cycle and firm-specific factors influence firms' use of external markets. A neglected factor that influences firms' actions about whether and how to develop technologies via external markets is uncertainty. We consider how market and technological uncertainty influence firms' investments in external R&D. In the context of the U.S. electricity industry we find that while firms facing technological uncertainty increase external R&D, those facing market uncertainty avoid new investments. Furthermore, we track corroborating actions that show support for the theorized mechanisms and reflect how technological and market uncertainty drive different responses to markets for technology.

SESSION 1057

### SOURCING INNOVATION

<b>TRACK I</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	17:30 – 18:45
<b>Paper</b>	<b>Room</b>	Scene G+H

**Session Chair:** C. Annique Un, *Northeastern University*

## Learning from and Learning by Exporting

C. Annique Un, *Northeastern University*

We analyze how exporting influences product innovation. Building on the knowledge-based view, we separate a direct effect that we call learning from exporting, in which the firm uses knowledge gained in foreign markets directly to innovate products, from an indirect effect that we call learning by exporting, in which the firm interacts the knowledge gained in foreign markets with the knowledge of its skilled employees to innovate products. We then predict that whereas learning from exporting has an inverse U-shaped relationship with product innovation, which reflects a diminishing return from foreign knowledge, learning by exporting has a U-shaped relationship with product innovation, which reflects the cost of integrating foreign and employees' knowledge for innovation.

## ✦ Mind the Gaps: How Organizational Design and Portfolio Composition Shape the Sourcing of External Inventions

John Eklund, *University of Pennsylvania*

Rahul Kapoor, *University of Pennsylvania*

Managers face a delicate balancing act. Excessive reliance on external inventions can result in the deterioration of internal capabilities, whereas excessive reliance on internal inventions means firms can fail to leverage new external knowledge. Previous studies have tended to neglect the decision-making process which shapes this balance between external and internal inventions. Using both knowledge- and incentives-based lenses, we illustrate that firms are more likely to source externally if they have fewer available internal inventions and if research and development is differentiated into multiple units. This study helps to integrate separate strands of the innovation management literature pertaining to resource allocation across innovation portfolios and external sourcing of knowledge by illustrating that managers assess their existing portfolio and seek to fill gaps using external inventions.

## Pressure, Constrains and Breadth of Open Innovation: Empirical Evidence from the UK

Mathew Hughes, *Loughborough University*

Ji Yan, *Durham University*

This study examines the pressures and constraints on innovation a firm experiences to understand: (1) why open innovation activity culminates in a particular mix of types of open innovation activities and the locations for those activities, and (2) whether greater breadth in types and locations is beneficial or detrimental for innovation performance. Moreover, we predict that the extent of open innovation activity will depend on managers bringing information to bear on these actions through the firm's absorptive capacity. Using firm-level UK Community Innovation Survey data from 2004 to 2010, we find empirical support for our hypotheses. These findings provide a platform from which to increase managers' sensitivity to the conditions and contingencies that drive firms' open innovation practices.

## Government R&D and Private Innovation: Effects of the Bayh-Dole Act

Yun Hou, *National University of Singapore*

Ipl Png, *National University of Singapore*

The U.S. Bayh-Dole Act grants ownership of intellectual property to government R&D contractors. The literature has mostly focused on the effect of the Bayh-Dole Act on universities. Little is known about how it affects innovation among businesses. Here, we address this issue by exploiting the timing of the Bayh-Dole Act together with regional differences in patent protection increase due to the establishment of CAFC. We find that this law led businesses to perform more R&D for the government and industry clients, recruit more R&D personnel, while engaging in less R&D for themselves. These results are consistent with the Bayh-Dole Act increasing the profit from government R&D, and government R&D being complementary with R&D for industrial clients and substitute for internal R&D.





## SESSION 1107

## STRATEGY FORMULATION AND IMPLEMENTATION: A PRACTICE PERSPECTIVE

TRACK J	Date	Tuesday, Sep 25
	Time	17:30 – 18:45
Common Ground	Room	Studio E

Session Facilitator: Martin Friesl, *Lancaster University*

### Coding Data from Strategy Development Exercises: Conversation and Video

Maureen Meadows, *Coventry University*  
Frances O'Brien, *Warwick University*

This paper explores video data of strategy workshops, based around strategy tools such as SWOT analysis, to explore approaches to coding both conversation and video data. Our findings are of significance for both academics and practitioners, as they have the potential to influence the future design of strategy tools, and their appropriate introduction in workshop settings. Surveys report that strategy tools are widely used, and often adapted as they are contextualised in practice. This has led to calls for further research into the practice of tool use. To address this research agenda, strategic management scholars need enhanced approaches to the coding and analysis of data arising from conversations and social interaction, to provide insights into strategic conversations taking place in settings such as strategy workshops.

### Exploring Inter-organizational Strategy Work – The Case of Medical Technology in Switzerland

Konstanze Krüger, *University of Bern*  
Claus Jacobs, *University of Bern*

How do organizations of an inter-organizational domain form a collective strategy? Successful collaborations in general, and inter-organizational domains (IOD) specifically, require a collective strategy. However, strategy research has mainly focused on single-sector, intra-organizational contexts rather than inter-organizational, multi-sector contexts such as IOD. Given the paucity of current knowledge on processes and practices of forming a collective strategy, our study explores strategizing in an IOD as a shared process between its members. We aim at focusing on IOD strategy practitioners and the practices they employ in their strategy praxis. Drawing on an interpretive case study of an IOD concerned with promoting translational medicine in Switzerland's capital region, we will be able to present initial findings and a first cut at a conceptual model at the conference.

### How Leaders Orchestrate Dynamic Capabilities: A Strategy-As-Practice Perspective

Nathalie Iloga Balep, *Helmut Schmidt University*  
Christoph Seckler, *Leuphana University*  
Seeger Bjoern, *Leuphana University*  
Sebastian Fischer, *Nielsen*

In this study, we examine the microfoundations of dynamic capabilities. Although extant literature on dynamic capabilities acknowledges the crucial role of the leader, it is rather silent about how leaders develop and orchestrate dynamic capabilities. We address this limitation by taking a strategy-as-practice theory perspective. Empirically, we examine leadership practices using a multiple case study research design of 40 SMEs from the 'German Mittelstand.' Drawing on extensive qualitative and quantitative data, we develop a practice-driven model of dynamic capabilities. The resulting model advances the discourse on dynamic capabilities by explaining how leaders orchestrate dynamic capabilities through involving and empowering practices.

## Institutional Work in the Transformation of Innovation Systems: A Comparison of Two S&T Policy Conferences

Yung-Ching Tseng, *Yuan Ze University*  
Shih-Chang Hung, *National Tsing Hua University*

The national innovation system is composed of a set of institutional practices and norms that may carry a dimension of rigidity or inflexibility in their function. This neglect of agency has presented challenges for policymakers concerned with addressing the question of how to reform existing institutions in an increasingly open society. In this study, we propose to address this policy agenda by examining how policy workers can engage in policy or strategy meetings to promote new ways of thinking, set new agendas, and thus transcend the limitations of their national systems. Using the naturalistic enquiry and action research, we focus on the comparison of two nationwide conferences, coupled with many related mini-meeting or seminars related.

### The Use of Corporate Branding as a Strategy Tool

Rita Järventie-Thesleff, *Aalto University*  
Sven-Ove Horst, *Erasmus University Rotterdam*

In this paper, we draw from the constitutive model of communication to analyze how corporate brand related talk, text and actions constitute and reshape the use of branding as a strategy tool over time. Our paper is based on a longitudinal case study in a multinational company and focuses on two important periods during the corporate branding project: the launch and the end. During the launch, communication seemed to animate the organizational actors towards an organizational identity change by informing, advising, committing and requesting them to use the tool, whereas towards the end of the project, the discursive co-formulation seemed to disalign people from identity change related activities by contradicting, contesting, bemoaning and finally banning the use of corporate branding for organizational identity change.

### Fighting for Completion: Signaling Effect of EME Acquirers' CSR on Cross-Border M&A Completion

Shu Deng, *Fudan University*  
Hyejin Cho, *KAIST*

How does CSR determine cross-border acquisition completion? Departing from extant literature that focuses on institutional factors affecting completion, we focus on how the acquirer utilizes CSR as signals about its institutional logic to the target firm's stakeholders. However, the institutional logic associated with CSR reporting will differ depending on the stakeholder group evaluating the acquirer, impacting whether the deal will be approved or blocked by the stakeholder group. By separating deal completion into two stakeholder groups-target shareholders and government agencies, we highlight how a single signal, CSR, becomes multi-faceted signal which can foster deal completion. Furthermore, we are one of the first to use institutional logic to decouple termination into government or shareholder blockage.

## SESSION 1084

**INSTITUTIONS, LOGICS, AND ENTREPRENEURSHIP**

<b>TRACK K</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	17:30 – 18:45
<b>Paper</b>	<b>Room</b>	Studio F

**Session Chair:** Jeffrey York, *University of Colorado, Boulder*

**Green to Gone? The Impact of Regional Institutional Logics on New Firm Survival**

Jeffrey York, *University of Colorado, Boulder*

Siddharth Vedula, *Babson College*

Michael Conger, *Miami University of Ohio*

In this study we bridge the literature on entrepreneurial survival to the hybrid organization literature to examine how institutional logics impact firm survival. We theorize, and empirically demonstrate, that in the context of hybrid organizations, regional levels of relevant institutional logics can have a significant impact on new firm survival. Our theory and findings make several contributions. First, first, we extend prior literature which has shown that regional variation in norms may impact the entry rates of hybrid ventures to show that socio-cultural variation also impacts on firm survival. Second, we demonstrate that logics in a region moderate the impacts of market factors on survival. Third, we show that the moderating impacts of regional logics is greater for de novo firms than de alio entrants.

**Evaluation of Early-Stage Ventures: Combinations of Experimentation, Planning, and Structure**

Andrea Contigiani, *University of Pennsylvania*

Trevor Young-Hyman, *University of Pittsburgh*

This paper examines the evaluation of early-stage ventures. As the literature has emphasized, this evaluation process is characterized by profound ambiguity. In this environment, we propose that evaluators will not value specific characteristics, but rather the coherence among multiple characteristics. In particular, we argue that coherent combinations of strategy and structure will yield positive evaluations: experimentation strategy and informal structure, or planning strategy and formal structure. We test this hypothesis using novel data from a university-based venture competition. Initial evidence suggests that planning and formal structure are a particularly beneficial combination, and the effects are stronger among judges with lower entrepreneurial experience. To verify the causality of these findings, we are in the process of repeating the analysis in an experimental setting.

**Entrepreneurial Innovation: Human and Social Capital in Different Institutional Settings**

Sibel Ozgen, *Florida International University*

Sumit Kundu, *Florida International University*

Research has placed significant emphasis on disentangling the role that institutional settings play in guiding entrepreneurial actions, and entrepreneurship has increasingly received considerable attention in emerging markets. However, there exists an important opportunity to advance our understanding about how different elements of human and social capital conjointly affect international entrepreneurial activity in different institutional contexts. In this study, we examine the factors that facilitate innovation based international entrepreneurship in developed and emerging markets, and thus provide a more nuanced understanding of the complex interplay between entrepreneur-related antecedent conditions and the institutional environment that facilitates entrepreneurial innovation.

**The Evolution of Formal Institutions Relevant to Initial Coin Offering: Preliminary Findings**

Nir Kshetri, *University of North Carolina at Greensboro*

Initial coin offering (ICO) is emerging as a popular fundraising method. There is a high degree of inter-jurisdictional variation in regulations governing ICOs. We examine if specific institutional characteristics are linked to specific policy responses. We utilize inductive analysis. We found that an economy's quality of entrepreneurship-related institutions, perceived threats to national/political interests and tax haven nature lead to different policy orientations. Consequently regulators assign different importance to promote CRYPTO-entrepreneurship and to deal with associated risks. Regulators with main focus on promoting crypto-ventures have taken measures to enrich blockchain ecosystem and provided tax and non-tax incentives to attract such ventures. Regulators with main focus on dealing with risks of crypto-ventures are relying on regulatory sandbox and close regulatory monitoring of such ventures.

## SESSION 1085

**EVOLUTIONARY APPROACHES TO ENTREPRENEURSHIP**

<b>TRACK K</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	17:30 – 18:45
<b>Paper</b>	<b>Room</b>	Forum A

**Session Chair:** Sandeep Devanatha Pillai, *University of Maryland*

**Different Knowledge Sources of New Ventures' Product Market Scope Strategy in a Nascent Industry**

Sung Namkung, *Indiana University of Pennsylvania*

Product market scope strategy (i.e., focus versus breadth) is critical for new venture success. However, less attention has been paid to explaining determinants for its product market scope choices. My study will this gap by investigating how founders' different types of pre-entry experience – upstream and downstream industry experience affect such choices. An empirical analysis of 84 entrants in the global Lithium-Ion Battery (LIB) cell manufacturing industry from 1992-2010 shows while new ventures with founders that have upstream industry experience will have broader product market scope, new ventures with founders that have downstream industry experience will have narrower product market scope. Moreover, the mitigating effect of founding experience on the negative relationship between downstream industry experience and narrower product market scope is examined.

**The Imprinting Effect of Founders on New Venture Performance: Emergence, Dissipation, and Contingencies**

H. Dennis Park, *University of Texas at Dallas*

Luca Grilli, *Polytechnic University of Milan*

Paul Jensen, *University of Melbourne*

We consider the emergence, dissipation, and contingency associated with an imprinting effect of founders' industry-specific human capital. We find that the positive effect of founders' industry-specific human capital on venture performance increases during the first 2-3 years of a new venture, peaks in years 4-5, and then dissipates slowly. However, this imprinting effect is contingent on the initial stability of the founding team. Specifically, high levels of churn in top management teams during the initial phases of a venture weaken the founders' imprinting effect. Our study provides novel insights on the literature on the imprinting effect by pinpointing the timing aspects of their emergence and dissipation along with an important contingency condition associated with such an effect.



The Primordial Soup of Cluster Genesis: The Historical Case of the British Motor Clubs

Paolo Aversa, City, University of London  
Mark Jenkins, Cranfield University

Literature has investigated how industrial clusters emerge and evolve thanks to several factors – entrepreneurs, firms, institutions, resource and knowledge concentrations, among others. Yet, there is still little understanding of the antecedents of clusters before the emergence of any entrepreneurial venture. Through an historical, inductive exploration of archival data and interviews, this study aims to disentangle the distinct elements and process of the “primordial soup” leading to cluster genesis. The historical case study of the British motor clubs as antecedents of the British ‘Motorsport Valley’ is analysed. The construct of collective passion emerges as a coalescing force binding institutions, collective practices and artefacts across multiple generative events. Endogenous and exogenous shocks enable the ingredients to react and transform amateur practices into ventures.

When Does Economic Experimentation Matter? Toward A History Of The Pivot

Sandeep Devanatha Pillai, University of Maryland  
Brent Goldfarb, University of Maryland  
David Kirsch, University of Maryland

This paper asserts that economic experimentation is an effective learning mechanism that firms use to gain advantage. Empirical evidence from the nascent automobile industry suggests that firms engaged in economic experimentation by releasing more models annually were able to lower prices and improve engine efficiency. Historical analysis supports the hypothesis that economic experimentation taught unique lessons that were impossible to learn through alternate mechanisms. These findings offer new, historical insights into the workings of the increasingly popular Lean Startup framework, showing that innovative firms in nascent sectors have long employed market pivots – substantive adjustments in firm strategy – in response to economic experimentation. Our findings suggest that Lean Startup methodology is applicable when uncertainty is high and when customers cannot articulate their preferences.

SESSION 973  
STRATEGIC TALENT SOURCING

TRACK L	Date	Tuesday, Sep 25
	Time	17:30 – 18:45
Paper	Room	Forum B

Session Chair: Isabel Fernandez-Mateo, London Business School

A Qualitative Examination of the Creation, Maintenance, and Removal of Hiring Pipelines

Rhett Brymer, University of Cincinnati  
Alia Crocker, Babson College

We use grounded theory inquiry to investigate how firms create and enact various talent sourcing strategies. Specifically, we examine a fundamental way firms create applicant pools and accumulate human capital that differs from competitors: hiring through pipelines, thereby accumulating human capital stocks with characteristics that substantially differ from the occupational labor market (Brymer, Chadwick, Hill, & Molloy, 2018). The prevalence of pipelines far outweighs scholarly understanding of them (Ployhart & Cragun, 2017). Our study presents findings from 41 in-depth interviews across hiring pipelines from twelve organizations. We seek to understand manager rationales in managing their portfolios of pipelines, shedding light on the internal firm processes that underlie between-firm human capital heterogeneity.

In With the Old? An Examination of the Potential Benefits of Boomerang Hires

JR Keller, Cornell University  
Rebecca Kehoe, Rutgers University  
David Collings, Dublin City University  
Matthew Bidwell, University of Pennsylvania

In light of a growing interest in boomerang employees as a potential talent pool, we examine how boomerang employees compare to other external hires in job performance upon (re)entry to the organization. We develop arguments that, relative to other external hires, boomerang hires may achieve higher performance due to reduced information asymmetries in the hiring process, greater firm-specific human capital, and reduced internal resistance to their contributions. Using personnel records from the US operations of a large pharmaceutical company, we confirm that boomerang hires are indeed more likely to be rated as top performers and less likely to be rated as poor performers as are other external hires. Preliminary analyses also indicate that boomerang hires surpass other external hires in career progression and retention outcomes.

The Concentration of Talent Sourcing: Source Strength, Recruiter Power, and Organizational Performance

Rhett Brymer, University of Cincinnati  
John-Patrick Paraskevas, Miami University  
Lisa Ellram, Miami University

Targeting specific sources, i.e. pipeline hiring, is a primary way organizations shape their pools of talent. Taken across the organization, the concentration of hiring pipelines has profound implications for accumulated human capital resources. Due to information-, attraction-, and complementarity-based advantages of pipeline versus broader market recruiting, current theory argues such targeted talent sourcing will produce performance benefits. Using an eight-year sample of American football recruiting, our results corroborate this theory. Further, we use supply chain logic to test the power dynamics in recruiter-source organization relationships, and find that this positive performance effect is augmented when the sources’ strength is low and the recruiter power is high.

Managing Rejection to Improve Women’s Representation in Talent Pipelines

Isabel Fernandez-Mateo, London Business School  
Brian Rubineau, McGill University  
Venkat Kuppuswamy, University of North Carolina at Chapel Hill

Across multiple economic domains, women appear less likely than men to persist in pursuing an initial goal after being rejected. This paper develops a formal mathematical model to examine the potential gender segregating impact of differences in persistence after rejection (PAR). Our analysis illustrates the potential sizeable impact of this mechanism on women’s representation in talent pipelines over time, and reveals the importance of the context-specific rejection rate. Importantly, our model suggests that managing rejection rates yields more realistically attainable improvements in female representation over time than increasing women’s persistence after rejection. In other words, intervening on the demand side may be more effective than intervening on the supply side – even though the biased outcome originates from supply-side behavior.

## SESSION 1046

**CORPORATE PHILANTHROPY, PUBLIC INTEREST, AND SOCIAL VALUE**

<b>TRACK M</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	17:30 – 18:45
<b>Common Ground</b>	<b>Room</b>	Studio G+H

**Session Facilitator:** Donald Lange, *Arizona State University*

**Not all Corporate Charitable Giving is Equally Appreciated: Examining Media Coverage of Companies in China**

Donald Lange, *Arizona State University*  
Helen Wei Hu, *University of Melbourne*

While corporate philanthropy is gaining momentum in China, giving by some corporations is interpreted more positively by the public and media than is the giving by other corporations. Giving can be appreciated by observers as a desirable indicator of sincere corporate responsibility, but it also can be seen negatively—perhaps as an indicator of too-close ties to the government. We argue that, even though the motivation for philanthropic donation is not transparent to observers, they will make inferences based on observable characteristics of the firm, such as firm size, reputation, private ownership, and the firm's giving in the year of an earthquake. We will study the giving of publicly-listed companies in China, 2008 to 2010, as well as the tenor of press coverage of those firms.

**Giving a Little to Many or a Lot to Few? Variety Advantage in Corporate Philanthropy**

Haram Seo, *University of Minnesota*  
Jiao Luo, *University of Minnesota*  
Aseem Kaul, *University of Minnesota*

We examine the financial returns to specialization versus variety in corporate philanthropy. While specialization—donating a lot to a few causes—may allow for greater effectiveness in giving, variety—giving a little to many causes—enables the firm to serve a wider range of heterogeneous stakeholder preferences. We argue that the separation between the recipients and supporters of corporate philanthropy means that the benefits of variety will dominate those of specialization. Results from a uniquely detailed data on 726 US firms' corporation donation from 2003 to 2011 support our theory, with firms that give to more varied causes realizing higher profits, and this effect being stronger for non-local giving, giving in markets with more heterogeneous stakeholders, and for variety across rather than within causes.

**Who Owns the Airwaves? How Disruptive Communication Technologies Enter Established Markets Through Public Interest Framing**

Kerem Gurses, *LUISS Guido Carli University*  
Basak Yakis-Douglas, *King's College London*  
Pinar Ozcan, *University of Warwick*  
Kevin Morrell, *Durham University*

Using a multi-case, longitudinal analysis of three disruptive technologies, Cable TV, VOIP, and Cloud Antenna, we explore how stakeholders use public interest frames as forms of non-market strategy to gain market power. We investigate the concept of "public interest" and how innovators and incumbents with opposing perspectives frame their arguments either to promote or restrict regulation. Our case analyses expose contradictions, commonalities and tensions in these appeals to convey public interest framing as a corporate political activity.

**Attaining the Social License to Operate: The Dynamics of Social Approval in High-Hazard Contexts**

Erin Bass, *University of Nebraska, Omaha*  
Ivana Milosevic, *College of Charleston*

Despite rich understanding of how social approval enables important firm outcomes, much less is known of how firms attain, and stakeholders grant, social approval. We explore this relational space between firms and stakeholders by focusing on a form of social approval common in high-hazard contexts, termed the social license to operate. Attaining the social license to operate is a complex social approval process through which entities with resources and correspondingly considerable power (i.e., firms) interact with entities that have historically been marginalized and often have very few resources at their disposal (i.e., marginalized stakeholder groups). Preliminary findings from our narrative approach indicate that though marginalized, stakeholders hold significant power in terms of granting social approval to firms.

**Reconciling Value Appropriation with Social Impact: A Conceptual Model Applied to Microfinance**

Leandro Nardi, *Inspere*  
Sergio Lazzarini, *Inspere*  
Sandro Cabral, *Inspere*

This work proposes a conceptual model integrating social aspects to the current debate on value creation and appropriation. Our framework conceives the social value created by an organization as a function of the value captured by transacting parties. We test our model in the context of a microfinance enterprise. We estimate the firm's potential for generating social impact as a function of the impacts the firm generates on its clients' businesses, normally small entrepreneurs. By combining matching techniques with difference-in-differences regressions, we obtain a percentage rate that proxies the social impact generated by the microfinance company. We thus provide information useful to inform the ongoing debates on how firms deal with the inherent tensions between social value creation and private value appropriation.

**★ When it Might Profit to be a Non-Profit Organization: Using a Natural Experiment in India**

Kamini Gupta, *King's College London*

Microfinance institutions (MFIs) provide a notable example of a hybrid organizational form that appears to be able to do well while doing good. The industry, which has its foundation in the social sector, has been embracing a more commercial model; but so far there are no systematic studies exploring whether a for-profit model is superior to the non-profit model. In this paper, I bridge that gap by using a regulatory shock, occurring in the Indian MFI industry, as a natural experiment to study the effect of an MFI's profit-status (whether it is a non-profit or for-profit MFI) on its performance. I find that counter-intuitively, non-profit MFIs financially outperform for-profit MFIs after a significant regulatory shock, but that there is no difference between their social performance.





SESSION 1001  
UNDERSTANDING NEWLY APPOINTED CEOS

TRACK O	Date	Tuesday, Sep 25
	Time	17:30 – 18:45
Paper	Room	Forum G+H

Session Chair: Priyanka Dwivedi, *Texas A&M University*

Initial CEO Compensation: A Contextual Exploration

Joel Andrus, *University of Missouri*  
Albert Cannella Jr, *Texas A&M University*  
Ramona Paetzold, *Texas A&M University*

Despite an extensive literature on CEO compensation, scholars, regulators, shareholders and others continue to seek for explanations about why CEOs are so highly compensated, we know very little about how the compensation package of new CEOs is established. We ask the question of how the new CEO's compensation package compares to the outgoing CEO's compensation package, with a focus on the context of the succession event. Specifically, we look at how the hiring of an outside CEO, as well as whether the former CEO was dismissed or retained as a board member influences the new CEO's pay (i.e. fixed and variable compensation). We find that the succession context plays an important role in how the new CEO is paid.

First Impressions: Examining How CEO Humility Impacts Investment Analysts Ratings in the Succession Context

Cindy Zapata, *Texas A&M University*  
Priyanka Dwivedi, *Texas A&M University*  
Laura Jones, *Texas A&M University*

Interest in CEO humility has increased substantially in the last few years, with evidence overwhelmingly pointing to benefits for CEOs, top management teams, and organizations. However, by drawing on information processing perspectives, a clear negative consequence to humility emerges for newly minted CEOs. In particular, we posit that when CEOs express humility during the early periods of their tenure, these displays serve to reduce the confidence investment analysts repose in the CEO's ability to drive firm performance. Further, we argue that this downside is stronger for women CEOs than it is for their male counterparts. We plan on using archival data on CEOs to test our overall theoretical model and experimental data to capture the mechanisms through which humility impacts analysts' assessments of firm performance.

External CEO Appointments and Firm Performance: the Roles of Experience, Misfit, and Negative Sentiment

Stevo Pavicevic, *Frankfurt School of Finance & Management*  
Dovev Lavie, *Bocconi University*  
Thomas Keil, *University of Zurich*

How does the appointment of an external CEO affect the hiring firm's performance? Prior research reports mixed findings, and while it suggests several possible explanations, the causal mechanisms underlying these inconsistent effects have not been isolated either conceptually or empirically. We draw upon theories of experiential learning, negative transfer learning, and negative sentiment, to explain the performance implications of external CEO appointments, and test our theory with a dataset of 449 external CEO appointments during 2001-2014. Our findings suggest that whereas the CEO's depth of experience marginally enhances post-succession performance, her breadth of experience has a negative performance effect. The misfit between the CEO's corporate background and the firm's characteristics further undermines performance and so does the negative sentiment toward her appointment.

Changing Political Regime: CEO-Succession with Change in Political Ideology and its Effects on New-CEO Early-Departure

Dimitrios Georgakakis, *University of St. Gallen*  
Albert Cannella Jr, *Texas A&M University*

We examine the effects of CEO succession coupled with change in political ideology—i.e., when a conservative CEO is replaced by a liberal, or vice-versa. Taking an organizational-disruption-view of succession, we argue that ideological differences between the new CEO and the predecessor amplify succession-related disruption, and thus increase the likelihood of new CEO early departure (within 3 years of appointment). We also hypothesize that the disruption and thus likelihood of early departure is more pronounced when there is an “ideology misfit” between the new CEO and the board of directors. Evidence from a survival analysis supports our predictions.

SESSION 1002  
THE ROLE OF LANGUAGE IN CORPORATE GOVERNANCE

TRACK O	Date	Tuesday, Sep 25
	Time	17:30 – 18:45
Paper	Room	Forum I+J

Session Chair: Abbie Oliver, *University of Georgia*

Does the Stock Market Value Management Speak?

Joao Cotter Salvado, *London Business School*  
Freek Vermeulen, *London Business School*

We examine the use of management jargon by CEOs in acquisition announcements. Our sample consists of the transcripts of the conference calls concerning 573 acquisitions. We used the word list of the online “Business B.S. Generator” and count the number of BS words CEOs used in their market presentations. Through an event-study, we show that the stock market responds negatively to this type of jargon. Importantly, this result is robust if we control for language fuzziness and for the long-term return of the acquisitions, which suggests that the market punished the use of jargon itself, rather than that it proxies for something else. There is one exception: the market rewards new CEOs for the use of jargon, but swiftly turns negative after a year.

Social Media Engagement of Strategic Leaders: A Conceptual Framework for Integrating and Extending Research

Ciaran Heavey, *University College Dublin*  
Christina Kyprianou, *Clemson University*  
Zeki Simsek, *Clemson University*  
Marten Risius, *Clemson University*

Like never before, strategic leaders are embracing social media as a tool to gather real-time market feedback, connect with stakeholder groups, and to establish influence in an increasingly online world. Although there has been considerable research on the opportunities and challenges of social media, the growing literature at the intersection of strategic leadership and social media provides little in the way of a systematic definition or framework. Based on a multi-disciplinary review, we synthesize the burgeoning literature and develop a definition and framework of strategic leader social media engagement. We outline several promising directions for future research into the antecedents (catalysts and constraints), dimensions (level of involvement, interactivity, etc), conduits (decision processes), and consequences (firm and leader-level outcomes) of strategic leader social media engagement.

## Win, Lose or Draw? The Implications of CEO Gender and Strategic Trash-Talk

Abbie Oliver, *University of Georgia*  
 Marie Mitchell, *University of Georgia*  
 Seung-Hwan Jeong, *University of Texas at Austin*  
 Edwyna Hill, *University of Georgia*  
 Michael Pfarrer, *University of Georgia*

In this proposal, we explore the intersection of strategic trash-talk, CEO gender, and external reactions. Drawing on theories of competitive dynamics and evolutionary psychology, we argue that strategic trash-talk, aggressive language expressed in competition that breaches the social etiquette of appropriate social interaction, enhances observers' perceptions that a CEO is aggressive—a desired trait in a competitive marketplace—and also that the CEO is considered a winner; someone observers want in their corner during a fight. Yet, we theorize that female CEOs do not receive the same benefits of strategic trash-talk due to societal gender prescriptions. We plan to test our proposed relationships using both a lab experiment and archival field study and ultimately contribute to understanding the strategic value of trash-talk in competitive situations.

## CEO Linguistic Abstractness, TMT Construal Level, and the Firm's Choice of Exploration Versus Exploitation

Jing Liu, *City University of New York*  
 Weilei Shi, *City University of New York*

Top executives' non-demographic characteristics and psychological processes in strategic decision-making have been understudied in upper echelons research. Synthesizing upper echelons theory, construal level theory, and literature on exploration versus exploitation, this research examines the effect of CEO linguistic abstractness on the firm's choice of exploration versus exploitation via top management team (TMT) construal level. In Study 1, we administered an experiment and found support for our hypotheses. In Study 2, we will collect archival data to examine the generalizability of our findings from Study 1. In doing so, we hope to make theoretical contributions to upper echelons theory and the exploration and exploitation literature. We also aim to offer managerial implications to top executives who aspire to achieve a good balance between exploration and exploitation.

SESSION 1031

## PERFORMANCE FEEDBACK

TRACK P	Date	Tuesday, Sep 25
	Time	17:30 – 18:45
Paper	Room	Studio D

Session Chair: Luke Rhee, *University of California, Irvine*

## Performance Feedback in New Product Development: Financial Goals and Gestalt Properties of Multiple Functional Goals

Evangelos Syrigos, *University of Zurich*  
 Konstantinos Kostopoulos, *University of Piraeus*

We follow a novel research approach in Behavioral Theory of the Firm by arguing that although firms give primacy to performance feedbacks regarding a corporate level-financial goal, they inevitably have to attend also to a variety of functional-level goals and performance feedbacks. However, due to the complexity and ambiguity of these functional-level goals, firms use Gestalt properties to identify the problems and solutions needed. Specifically, we focus on two Gestalt properties (i.e., simplicity and predictability) which, we argue, define the context in which behavioral adaptation and problemistic search takes place. We propose that a simpler and more predictable set of functional-level performance feedbacks below aspirations positively moderates the relationship between poor financial performance and the number of new product initiations.

## Performance Feedback, Problemistic Search and Strategic Change: A Meta-Analysis

Stefan Breet, *Erasmus University Rotterdam*  
 Anna Nadolska, *Erasmus University Rotterdam*

Although performance feedback theory provides one of the primary explanations of organizational adaptation, the findings of studies that have examined the effect of performance below aspiration levels on problemistic search and strategic change are inconsistent. This paper uses meta-analytic techniques to synthesize the empirical evidence of 54 studies and test the theory's primary predictions. We find that organizations that perform below the aspiration level devote more resources to problemistic search but are less likely to initiate strategic change in order to restore firm performance. In addition, we show that strategic change is primarily driven by organizational experience. We discuss the implications for performance feedback theory and threat-rigidity theory.

## Performance Feedback and New Product Innovations: The Role of CEO Financial Orientation

Ali Samei, *IESE Business School*  
 Thomas Kluever, *IESE Business School*

In this paper, we suggest that an important and so far overlooked, factor in understanding the relationship of performance feedback and innovative behavior is that performance-aspiration gaps are observed and interpreted by key organizational decision makers such as CEOs with heterogeneous experiences and training. We connect the unique characteristics of financially-oriented CEOs to the key building blocks of the BTF to predict how that orientation is a key contingency in explaining new product initiations following performance feedback. We test our theoretical framework in the global bio-pharmaceutical industry combining data on over 3000 internal and external product development initiatives and over 600 CEO biographies using topic extraction techniques. Our results reveal that only when CEO financial orientation is high, the patterns predicted by the BTF hold.

## Performance Feedback and Risk Relationship: A Cross-Cultural Examination

Ali Alipour, *Sabanci University*  
 Remzi Gozubuyuk, *Sabanci University*  
 Huseyin Ekrem Cunedioglu, *Iskenderun Technical University*

Investigating the boundary conditions of the performance feedback and risk relationship has been the focus of attention of considerable amount of research in the behavioral theory of the firm literature. These studies have mainly studied how such firm level factors as size, resources or such external factors as environmental turbulence, environmental dynamism or opportunities may moderate the performance feedback and risk relationship. However, research focusing on national culture as an environmental factor and external to firm as a likely boundary condition of performance feedback and risk relationship is scarce. On this ground, the main aim of this proposed study is to investigate how national culture (i.e. uncertainty avoidance and future orientation) may moderate the performance feedback and risk relationship.



## SESSION 1112

**PERFORMANCE: MEASURES, DETERMINANTS, AND CONSEQUENCES**

<b>TRACK P</b>	<b>Date</b>	Tuesday, Sep 25
	<b>Time</b>	17:30 – 18:45
<b>Common Ground</b>	<b>Room</b>	Studio I+J

**Session Facilitator:** Loizos Heracleous, *University of Warwick*

**Financial Performance Measurement, Worker Satisfaction, and the Influence of Zero-Sum Perceptions**

Daniel Brown, *Harvard University*

Despite considerable research on how worker satisfaction affects the financial performance of firms, we know little about how firms' decisions to measure and report performance financially affect the satisfaction of workers. Through two sets of field experiments with real workers of real firms, I find that operationalizing firm performance financially through financial performance measurement information decreases workers' satisfaction with the firm (Study 1). I theorize that this effect occurs due to the perceived zero-sum nature of firm financial performance and the zero-sum nature of exchange value capture it represents, which reduce the perceived meaningfulness of work and ultimately workers' satisfaction with the firm. The findings support this causal process (Study 2).

**Too Good to Be True? When Impeccable Successes Indicate Lack of Merit**

Jerker Denrell, *University of Warwick*

William Barnett, *Stanford University*

Chengwei Liu, *University of Warwick*

When do impeccable success indicate superior merit? We formalize the condition under which having good performance in all stages of career or competition should be discounted to such extent that having occasional failures should be evaluated more favorably than a perfect record. In particular, we show that initial failure followed by success is more impressive than repeated success when performances in early periods have sufficiently strong impacts on subsequent performances. Consistent with our theory, we find that initial low market share is, controlling for eventual market share, associated with higher quality in data from the Salganik music download experiment as well as in data on movie sales/ratings. Our findings imply that high but unsustainable competitive advantages can indicate superior merit and benchmark.

**Reinforcing Threat Cycles: The Interrelation of Strategic Issue Categorization**

Gunnar Hauptmann, *University of St. Gallen*

Björn Ambos, *University of St. Gallen*

Negative reinforcing cycles prompted by paradoxical tensions can have a detrimental effect on organizations. One source of such tensions are strategic issues, where the contradictory categorization options "threat" or "opportunity" cause internal pressures, putting the organizations into a rigid behavioral mode. The developments and consequences of such reinforcing cycles have thus far only been investigated theoretically and within isolated contexts. We lack insights into spillover effects to subsequent strategic issues. This study proposes to examine the patterns of 350 interrelated strategic issue categorizations of six organizations in the context of a multi-competitor sailing race. We further investigate the reinforcing threat cycles of one focal organization. We thereby illuminate the interrelation of strategic issue categorization and contribute to better understanding reinforcing cycles within the paradox literature.

**Self-Deception and Cognitive Uncertainty: A Single Case Study of a Strategy Consulting Underdog**

Suvi-Tuuli Helin, *Aalto University*

We studied a strategy consulting underdog by conducting 41 interviews and 400 hours of observation to understand how the company partners managed situations of uncertainty, that was caused by their underdog position. We also examined how these practices were mirrored to subordinates. The findings revealed that self-deception helped to retain partners' high level of self-efficacy, and most notably, self-deception was used both to amplify and reduce partners' cognitive uncertainty. By self-deception, partners overestimated their capabilities, and therefore amplified cognitive uncertainty to explore and find solutions to their clients' questions. Simultaneously, self-deception led to protective actions: partners reduced their uncertainty by controlling feedback they got from the clients. However, it led to amplified cognitive uncertainty among junior consultants, and lack of exploitation of past projects.

**Long-term Perspectives, Modes of Strategic Interaction, and Attention**

Johannes Lehner, *Johannes Kepler University Linz*

Sabine Reisinger, *Johannes Kepler University Linz*

Building on the distinction of rivalrous versus relational modes of strategic interaction (Chen and Miller, 2015) we develop and test hypothesis between the strategic decision makers' long versus short term orientation, the firm's mode of strategic interaction and its attentional focus toward external versus internal phenomena, thus linking it to the attention based view on strategy (Ocasio, 1997). Through a questionnaire study among Austrian firms (n=85) we show that a long-term orientation is significantly followed by a relational mode. The latter draws decision makers' attention to internal phenomena rather than trends in the environment with significantly increased likelihood.

**Why State Firms Change Less**

Zhiyan Wu, *Frankfurt School of Finance & Management*

Ronald Klingebiel, *Frankfurt School of Finance & Management*

State-controlled firms are viewed as less nimble than their privately-run peers. While we provide a first confirmation of this received wisdom, we show that the phenomenon is more nuanced than previously thought. Performance volatility is lower for state-controlled firms than for private firms, but small performance fluctuations trigger change more readily at state-controlled firms than at private ones. State-controlled firms ignore another trigger for change, however. They prove less sensitive to performance comparisons with competitors than private firms, though both types of firms experience comparably large fluctuations in this metric. Our study is a first attempt at examining state-controlled firms' propensity to change, contributing insights into behavioral mechanisms that operate separately from typical concerns about agency costs, institutional logics, and bureaucratic hierarchy at state firms.

19:00 – 20:00

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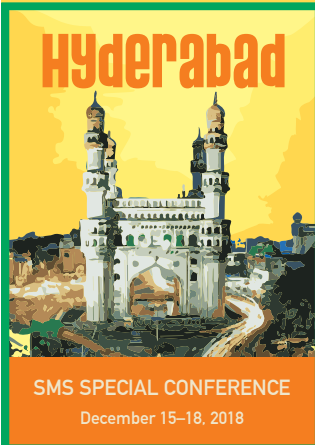
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