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**SESSION 5****PLENARY TRACK**

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<b>TRACK P</b>	<b>Date</b>	Tuesday, Dec 17
	<b>Time</b>	08:30 – 09:00 h
<b>Plenary Panel</b>	<b>Room</b>	Auditorium

**Conference Welcome from the Program Chairs****Session Chair**

Name, *Affiliation*

**Panelists**

Jay Anand, *Ohio State University*

Charles Dhanaraj, *Indiana University*

Prashant Kale, *Rice University*

MB Sarkar, *Temple University*

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**SESSION 34****PLENARY TRACK**

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<b>TRACK P</b>	<b>Date</b>	Tuesday, Dec 17
	<b>Time</b>	09:00 – 10:15 h
<b>Plenary Panel</b>	<b>Room</b>	Auditorium

**Keynote Session****Session Chair**

Name, *Affiliation*

**Keynote Speaker**

Sunil Kant Munjal, *Hero MotoCorp Ltd.*

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**SESSION 1****PLENARY TRACK**

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<b>TRACK P</b>	<b>Date</b>	Tuesday, Dec 17
	<b>Time</b>	10:45 – 12:00 h
<b>Plenary Panel</b>	<b>Room</b>	Auditorium

**Doing Business in China vs. India: Prospects and Challenges****Moderator**

Akbar Zaheer, *University of Minnesota*

**Panelists**

Tarun Khanna, *Harvard University*

Ravi Ramamurti, *Northeastern University*

Freeman Shen, *Geely Holding Group*

S Ramakrishna Velamuri, *CEIBS*

A group of academic and business experts will compare the economic and the societal conditions that affect business in China and India, why they are the way they are, what explains the differences, and prospects and challenges going forward, followed by a discussion and Q&A.

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**SESSION 22****THE IMPACT OF OWNERSHIP FORM ON FIRM PERFORMANCE:**

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**TRACK A**

**Date** Tuesday, Dec 17

**Time** 13:15 – 14:30 h

**Room** Takshashila

**Paper**

**Session Chair** Ajai Gaur, *Rutgers University*

**Acquisition Propensity of Emerging Market Firms: When Does Foreign Institutional Ownership Influence Firm Strategy?**

Ram Ranganathan, *University of Texas-Austin*

Anindya Ghosh, *IESE Business School*

Harbir Singh, *University of Pennsylvania*

In this proposal, we examine how the composition of emerging market firms' ownership affects their propensity to undertake external corporate transactions, and, whether it complements or substitutes the effect of a firm's prior experience in undertaking such transactions. In particular, following Khanna and Palepu (2000), we focus on the role of foreign institutional investors - by studying the relationship between such ownership levels and actual strategic decisions, we can isolate and gain a more robust understanding of the effects of external governance on firm actions and performance. Preliminary findings suggest that while foreign institutional ownership and own accumulated experience spur a higher rate of external corporate transactions, the presence of domestic institutional investors dampens it. We also find that relationship between foreign investor ownership and higher corporate transactions is stronger at lower levels of own firm experience with these transactions.

**Effects of Business Group Affiliation on Capital Structure during Economic Reforms: Evidence from India**

Apalak Khatua, *XLRI Xavier School of Management*

In developing economies business group affiliated firms used to enjoy preferential access to debt capital from state controlled financial systems before economic reforms. It was expected that economic reforms will offer a level playing field for stand-alone firms in terms of access to capital markets. This paper probes: Do business group affiliated firms still enjoy superior access to capital markets compared to standalone firms when reforms take hold? We argue that group affiliated firms will be preferred by banks as a safe borrower and enjoy higher leverage compared to stand-alone firms. An 18-year longitudinal study in Indian context confirms this. We also find that group affiliation enhances a firm's access to deficit financing which suggests stand-alone firms are credit constraint in developing economies.

**Fuelling the Firm Ownership and Performance Debate in Emerging Economies: Puzzling Evidences from India**

Amit Chakrabarti, *Indian Institute of Management Calcutta*

Sougata Ray, *Indian Institute of Management-Calcutta*

Venkataraman Sankaranarayanan, *Indian Institute of Management-Calcutta*

Anjan Ghosh, *Indian Institute of Management Calcutta*

The ownership performance debate is dominated by the new institutional economics and the neoliberal model which pushed for changes in the institutional environment and institutional arrangements in many emerging and transition economies. However due to their partial implementation, institutional voids remained in these economies. The business groups and MNCs were supposed to be unaffected by these voids due to their ability to take collective action. Since we observe a sudden return of the state, in this paper we test the assertions of the neoliberal model, using data from Indian firms from 1992 to 2011, and surprisingly find SOE's performing better than other firm categories on certain

parameters. Hence in an underdeveloped institutional environment, the ownership performance relationship calls for further scrutiny.

## Ownership of the Firm and Product Innovation in Chinese Manufacturing, 1998-2007

Gordon Walker, *Southern Methodist University*

Fan Xia, *Peking University*

This paper tests the influence of owner type on product innovation. Our data come from a large sample of Chinese manufacturing firms from 1998 to 2007 across all regions and thirty industries. We identify three owner types - state, privately held, foreign owned. Because these types vary widely in governance practices and resource networks, we propose but do not find that they differ in their innovation rates. We do find support for the proposition that owner types vary in the spillovers they create and also find that the prevalence of weak ties in private sector firms improves their sensitivity to spillovers. Overall, these results show that owner type is an important for studying external sources of innovation, especially in emerging markets, such as China.

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### SESSION 28

## STRATEGIC RESPONSES TO ENVIRONMENTAL IDIOSYNCRASIES IN EMERGING MARKETS

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### TRACK A

Date Tuesday, Dec 17

Time 13:15 – 14:30 h

Room Somapura

### Paper

Session Chair Joydeep Chatterjee, *University of Washington-Bothell*

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## Buffering Strategy for Corruption: The Case of Middlemen in India's Manufacturing Industries

Malay Biswas, *Indian Institute of Management - Rohtak*

Our research examines the implementation of 'buffering' strategy by the Indian manufacturing firms while dealing with the corruption. Counterfactually, we posit our research question as to what extent corporate decision to bribery is linked with selection of middleman. Based upon a propensity score matching sample for Indian manufacturing firms sourced from a World Bank data, this paper attempts to derive causal inferences to the research question after adjusting the plausible theory-based confounders. Our detailed empirical findings reinforce our preliminary findings that corporate bribery is executed through middleman for subsequent deniability, traceability and thereby assures of buffering the inner core of the top management from diverse harmful consequences. Here we report only the very first glance of our research data.

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## Exploring the Role of M&A in Dynamic Capability Context: Emerging Market Case

Mehmet Evran, *University of London*

Frances Bowen, *Queen Mary, University of London*

The Number of M&A deals is increasing by the emerging market companies, which are cash rich. In order to be successful in the M&A management, companies need to raise a specific M&A capability. This research will examine the post-M&A process and M&A capability evaluation of emerging market companies. The usual focus in emerging market studies is on the big emerging economies of Brazil, Russia, India and China (BRIC). We focus instead on the country case of Turkey, one of a second tier of biggish growing economies of 'MIST' (Mexico, Indonesia, South Korea and Turkey). To conduct this study we use a unique hand-collected dataset of acquisitions in Turkey culled from a publicly available data. The final sample consists of 279 acquisitions between 1998 and 2012.

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## Indebtedness Of Equity: The Unsung Role Of Debt

## In Indian Risk Taking

Chetan Chawla, *University of Massachusetts - Amherst*

Anurag Sharma, *University of Massachusetts - Amherst*

A large body of work, under the rubric of ownership as governance (cf. Daily, Dalton, & Rajagopalan, 2003), has investigated the influence of various equity holder groups on strategic actions such as diversification, innovation, and internationalization. Underpinning this literature has been an assumption of debt homogeneity. Recent scholarship (David, O'Brien, & Yoshikawa, 2008) has questioned this assumption, arguing that debt holders too have notable influences on strategic choices of firms. In this research, we propose to extend David et. al. (2008) by developing a theoretical model and then empirically examining the influence of different forms of debt on risk-taking among firms in the emerging market context of India.

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## Informal Institutions vs. Competition: What Shapes Firm Behavior during Institutional Transitions?

Shaleen Gopal, *Indian Institute of Management - Udaipur*

J. Ramachandran, *Indian Institute of Management - Bangalore*

The extant research on institutional transitions and firms' adaptations offers two opposite predictions on firm behavior: one the firms would make amendments in their strategy in response to changing competitive context and the other that the firms would continue with strategies that worked in the past owing to slow transition in informal institutions. We test these two competing perspectives, which are anchored in resource based view and institutional theory respectively. Set up in an emerging economy background, the study examines whether pro market economic reforms elicit the expected competitive response from firms.

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### SESSION 19

## GLOBAL INNOVATION IN EMERGING MARKETS

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### TRACK B

Date Tuesday, Dec 17

Time 13:15 – 14:30 h

Room Jal-Tarang

### Common Ground

Facilitator Saikat Chaudhuri, *University of Pennsylvania*

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## First-Mover Advantages Before and After TRIPS in the Indian Pharmaceutical Industry

Ajay Bhaskarabhatla, *Erasmus School of Economics*

Chirantan Chatterjee, *Indian Institute of Management, Bangalore*

Scholars argue that the presence of persistent first-mover advantages obviates the need for relatively long-lived patents as incentives for innovations. What then is the impact of the strengthening of patent protection, particularly in developing economies, on non-patent-based first-mover advantages? We investigate this question by estimating the extent of erosion of first-mover advantages in the Indian pharmaceutical industry due to the introduction of a stronger product-patent regime in January 2005. We find evidence of erosion—as high as 50-percent—that is robust to alternative estimation strategies and definitions of dependent variables. We extend the Suarez-Lanzolla framework and highlight the role of regulatory factors on the relationship between first-mover advantages and intellectual property rights and discuss managerial and policy implications.

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## Globalization and/or Localization: Which Emerging Markets are better from a R&D Perspective?

Rajat Khanna, *University of North Carolina-Chapel Hill*

Atul Nerkar, *University of North Carolina-Chapel Hill*

Globalization of R&D function across emerging economies has attracted attention of scholars from management, research policy, and strategy fields. At the same time how heterogeneity in intellectual property laws and cultural attributes of emerging economies impact decisions related to R&D globalization is rather less studied. We analyse the R&D activities of technology intensive western multinational firms in emerging economies namely Brazil, Russia, India, and China (BRIC). We show in this paper that decision to engage in R&D activity in an emerging economy is influenced not only by the economic factors but also by cultural factors. We also demonstrate that western multinationals are more likely to localize their R&D activities when patent laws are strong and cultural characteristics are favourable to innovation.

### **Institutions, Firm Heterogeneity and Private Returns to Science: New Evidence from Indian Pharmaceutical Industry**

Priyanka Shukla, *Indian Institute of Management, Bangalore*  
Subramanyam Raghunath, *Indian Institute of Management - Bangalore*  
Suresh Bhagavatula, *Indian Institute of Management - Bangalore*

This paper studies the evolution of science in an industry faced with institutional changes and offers evidence on the consequences of shifts in intellectual property rights for science done within firm boundaries. We explore Indian pharmaceutical industry where we exploit exogenous shifts in IP environment and how it conditions the private returns to science, conditional on heterogeneity across firms coming from variation in their locations. The key findings are: Hi-tech firms in an economy transitioning between institutional regimes adopt network-based approach to acquire necessary resources to produce fundamental research. The interorganizational network structure evolves over time to form small worlds which increases the scientific output of the industry. Institutional changes prompt investment in research which creates stocks of science. A firm's rational investors positively evaluate its scientific stocks, but this relationship is moderated by heterogeneity of firms in terms of location and choice of collaborations.

### **Location Determinants of R&D Lab Closure in Emerging Economies**

Grigorios Livanis, *Northeastern University*  
Anna Lamin, *Northeastern University*

While studies of R&D activities have typically focused on firm entry, we focus on R&D laboratory closure. Although potential benefits of agglomeration may attract firms to a location, firms may also be sources not just recipients of knowledge spillovers. We examine whether co-location with other firms influences decisions to exit, particularly among technologically leading firms in emerging economies. Drawing on a unique dataset of R&D laboratories in India during 2003-2010, we examine how the presence of domestic versus foreign R&D labs affects the likelihood of lab closure. Our results highlight differences between the presence of foreign and domestic labs. For technologically advanced firms, the presence of domestic labs increases the likelihood of closure, while the presence of foreign labs does not.

### **Product & Service Innovations in the Indian MNCs: Insights and Experiences**

Shiv Tripathi, *Calcutta Business School*

The developing country multinational companies (DMNCs) in countries like India are coming regularly into limelight in the global business arena by developing frugal innovations in their own unique way. The question is how are they doing these innovations in products and services? Are they following the same traditional

models of innovation as followed by the developed world MNCs or do they have some unique features that are different from their developed counterparts. To explore answers of these questions we conducted 58 in-depth interviews of the business executives of 8 Indian MNCs where we asked a set of 22 indicative questions to find out how do they do product and service innovations and to find out the enablers and roadblocks on their journey of innovation.

### **Technology Oriented Strategy of Small Businesses in Emerging Economies: Does Industry Matters?**

Safal Batra, *Indian Institute of Management - Ahmedabad*  
Sunil Sharma, *Indian Institute of Management - Ahmedabad*  
Neharika Vohra, *Indian Institute of Management, Ahmedabad*

While it is agreed that technologically oriented firms are better suited to generate and exploit innovations, the industry conditions which further strengthen or weaken this relationship are not understood. This study makes an attempt to extend the existing research on technology orientation by bringing in the contingent effects of industry. We found that technology oriented small businesses were better suited towards undertaking innovation when industry was characterized with high munificence and low complexity. Industry dynamism didn't impact this relationship. Implications for theory and practice are discussed.

#### SESSION 17

#### **INCLUSIVE BUSINESS MODELS**

<b>TRACK C</b>	<b>Date</b>	Tuesday, Dec 17
	<b>Time</b>	13:15 – 14:30 h
<b>Common Ground</b>	<b>Room</b>	Jagaddala

**Facilitator** Jane Lu, *University of Melbourne*

### **Branchless Banking as Disruptive Innovation: Strategic Consensus and Strategic Orientation as Input to Effective DI**

Donny Prasetya, *University of Indonesia*  
Avanti Fontana, *University of Indonesia*

By arguing that Branchless Banking ("BB") possesses the defining characteristics of Disruptive Innovation ("DI"), we explore the relationship between Strategic Consensus ("SC") and Strategic Orientation ("SO") as important influencing factors of effective DI implementation in the form of BB. Given the ample empirical evidences of positive economic and social development in several emerging markets that can be credited to BB, this study seek to contribute not only to further our understanding concerning the nature of relationship between DI and SC & SO, but also to catalyze further proliferation of BB in emerging markets by focusing on conditions necessary to foster effective implementation of such innovation.

### **Entrepreneurial Orientation and Business Model Innovation: Impact of SME Performance**

Rakesh Pati, *Indian Institute of Management - Kozhikode*  
Niharika Garud, *Indian Institute of Management - Bangalore*

Business model is a framework which helps the firms to manage their transactions with other stakeholders. The innovation in the business model helps the firms to create and capture value and improve firm performance. Despite its importance, our understanding about antecedents and consequences of business model innovation is still limited. Using data from 192 SMEs in India, this study found that business model innovation is significantly influenced by entrepreneurial orientation of the entrepreneurs or owner-manager. Furthermore, findings from the study also highlight that both competitive and social performance are significantly

influenced by business model innovation. The finding of the study adds to the extant literature by highlighting the importance of business model innovation for Indian SMEs and informing the entrepreneurs to focus on entrepreneurial orientation to improve it.

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## Financial Inclusion in India

Ardhendu Shekhar Singh, *Symbiosis School of Banking Management*

Bhama Venkataramani, *Symbiosis School of Banking Management, Pune*

Financial inclusion has become a buzzword for each and every stakeholder involved in the delivery of financial services either directly or indirectly. Albeit different reasons are there for every stakeholder to show the level of interest they are showing. For some it's social responsibility and for others it's business opportunity at bottom of pyramid. The significance of it is manifold. Through this paper, we try to understand the extent of financial exclusion, reasons behind it, and initiatives taken by the different stakeholders to address the same.

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## Microfinance Organizations: Paragons or Pariahs?

Sarada Gadepalli, *Indian Institute of Management, Calcutta*

Bikramjit Ray Chaudhuri, *Indian Institute of Management Calcutta*

This paper revisits the prominent debates in microfinance in light of the turmoil in the microfinance sector, focusing on the program models, nature of savings, the impact on women empowerment, ownership structures, and operational costs. The deepening divide between the proponents and opponents of microfinance organizations has led them to be characterized as either paragons or pariahs creating the "microfinance schism". Going beyond the polemics of two opposing camps, this paper presents a balanced exposition of the nature of the divide and proposes a mechanism to bridge the divide across the "microfinance schism".

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## Understanding Innovation at the Base of the Pyramid

Sudheer Gupta, *Simon Fraser University*

Jai Ganesh, *Infosys Ltd.*

The "base of the pyramid" (BOP), approximately 4 billion citizens of the world who live on less than \$8 a day, constitutes a \$5 trillion global market that remains un- or under-served. Multinational corporations have historically tended to focus their innovation efforts exclusively on the upper segments of the pyramid, presupposing a certain level of consumer knowledge, market conditions and resource availability. Serving BOP markets effectively requires rethinking and redesign of innovation processes typically employed by organizations to produce goods and services, and may require entirely new business models. In this paper, we aim to develop a theory of product, service and business model innovation that allows organizations to meet the needs of BOP segments profitably, sustainably, and in socially responsible ways.

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SESSION 12

## STRATEGIC HUMAN CAPITAL IN EMERGING MARKETS

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<b>TRACK D</b>	<b>Date</b>	Tuesday, Dec 17
	<b>Time</b>	13:15 – 14:30 h
<b>Paper</b>	<b>Room</b>	Vallabhi

**Session Chair** Jamal Shamsie, *Michigan State University*

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## A Review of Strategic Choices of Contract Labour in Multi-National Corporations in Asia Pacific

## region

Vedantam Leela, *National Law University, Jodhpur*

Yuvraj Samant, *National Law University, Jodhpur*

Last two years witnessed the growing labour unrest among contract workforce in MNCs operating in Asia Pacific region. Considering research in the strategic choice theory, Labour process theory and organisational cultures of MNCs in Asia Pacific Region, this paper argues that a reversal of strategic choice of MNCs to deal with contract workforce for its attainment of competitive advantage. MNCs hitherto focussed on low cost workforce and engaged in few permanent employees. We highlight the 'unanticipated' role of contract workforce in MNCs in participatory decision making by presenting 'the contract workers employment relationship processes.' Overall, we argue that MNCs should evaluate their strategic concerns in establishing MNCs in Asia Pacific region as contract workers are vigilant, assert rights and demand equality in the workplaces.

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## Building Capabilities for Radical Innovation in MNC Subsidiaries: A Dual Process Model

Pavan Soni, *Indian Institute of Management - Bangalore*

Kothandaraman Kumar, *Indian Institute of Management - Bangalore*

The paper takes the case of an R&D subsidiary of an American multinational, and studies the approach it took for developing capabilities for radical innovation. Building upon the Birkinshaw and Hood (1998)'s model of subsidiary's role evolution, the paper propose a process model of capability development at a subsidiary level, as determined by the interplay between subsidiary's charter and its performance, and mediated by the nature of MNC, subsidiary, and local environment. This Dual Process Model states that the subsidiary must first achieve a base- level of innovation by installing programs for continuous innovation and culture building, and then have formal mechanisms for scouting and funding potential opportunities. The paper also has implications on role of internal and external embeddedness, and that of absorptive capacity.

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## Employee Engagement in Social Impact Initiatives: A Model of Logics Shock and Re-Immersion

Christiane Bode, *INSEAD*

Jasjit Singh, *INSEAD*

Michelle Rogan, *INSEAD*

This paper explores how individuals experience unfamiliar institutional logics. Through an inductive multiple case design we examine the experience of individuals who are exposed to an alternative logic and analyze changes in their attitude towards the focal firm and the dominant logic of that firm. The context of our study is social impact initiatives that encapsulate individuals geographically and ideologically and socialize them into a different logic than the logic(s) of the field to which their firm adheres. We find that ex ante expectations about logic distances is a powerful driver of how the subsequent logic shift is perceived and that individuals experience the logic shift through an impact on their professional identity.

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## Role Playing: Coordination on Bollywood Film Projects

Jamal Shamsie, *Michigan State University*

Federico Aime, *Oklahoma State University*

The coordination or integration of activities or tasks that are carried out by various specialists in a temporary project-based organization has not received much attention. However, such a form of coordination is critical to the success of each project and it must be achieved under severe time and resource constraints. In

this paper, we show that the formal roles that are assigned to each individual can help to facilitate such coordination because they are well understood by everyone working on the project. We test for the integrative aspects of four key roles that are assigned to individuals on Bollywood film projects.

## Training: The Litmus Test to a Strategic Approach to High Performance Work Systems?

Ashish Malik, *University of Newcastle*  
Vijay Pereira, *University of Portsmouth*  
Pawan Budhwar, *Aston University*

This paper concerns 'testing' if training is part of the established paradigm of human resource management's high performance work practices (HPWP) bundle within firms in the Indian IT industry? Based on our review and findings we argue that the training function (in our sample of firms studied over a decade) is not an integral part of any HRM bundle. Instead, training is inextricably intertwined and integrated with the operations management function and is structurally separate from the HRM function. We theoretically examine this novel phenomenon using qualitative and quantitative data, and highlight the reasons for why the received wisdom on training as a litmus test for the presence of a strategic approach to HRM in most contextual settings is different in the Indian IT industry. We conclude with future research propositions.

### SESSION 2

#### PLENARY TRACK

<b>TRACK P</b>	<b>Date</b>	Tuesday, Dec 17
	<b>Time</b>	15:00 – 16:15 h
<b>Plenary Panel</b>	<b>Room</b>	Auditorium

## Models of Management: What is Unique and What is truly Global about Strategy in India?

### Moderator

Harbir Singh, *University of Pennsylvania*

### Panelists

Jay Barney, *University of Utah*

Adi Godrej, *Godrej Group*

Kiran Karnik, *NASSCOM*

Pramath Raj Sinha, *9.9 Mediaworx Pvt Ltd.*

As Indian firms continue to draw attention from observers around the world, questions arise with respect to the specific drivers of their strategies. In this panel speakers first discuss how Indian-headquartered firms have achieved success, and the unique challenges they have faced. They also explore the areas in which Indian firms reflect cross national or global models of strategic management, and other s in which they have uniquely local managerial approaches.

### SESSION 27

#### OWNERSHIP AND GOVERNANCE FORMS IN EMERGING MARKETS

<b>TRACK A</b>	<b>Date</b>	Tuesday, Dec 17
	<b>Time</b>	16:30 – 17:45 h
<b>Common Ground</b>	<b>Room</b>	Jal-Tarang

**Facilitator** Naga Lakshmi Damaraju, *Indian School of Business*

## A Validation of Agency Theory in Emerging Economies: Limits to and Extensions of Agency Perspectives

Kshitij Awasthi, *Indian Institute of Management, Bangalore*  
Agency theory ever since its dawn has been one of the most exciting

and highly researched domains. It has also been criticised on several grounds particularly its restrictive assumptions like separation of ownership and control, institutional context of developed market and managerial opportunism. However, agency theory, in order to address those criticisms and be relevant, has evolved and moved in several related directions. This has led to the piece-meal development of different flavours of agency theory that attempts to explain behaviour in specific institutional contexts, different agent motivations etc. The present paper, noting the currently prevalent paradigms of agency, attempts to bridge these theories in order to enhance generalizability and offer direction for future research.

## Corporate Governance in Emerging Economies: A Review of Developments in Principal-Principal Agency Perspective

Kshitij Awasthi, *Indian Institute of Management, Bangalore*

Traditional agency theory (Principal-Agent conflict) has been one of the most accepted theories in domain of corporate governance practices in developed economies which are characterised by better contract enforcement; disperse ownership, separation of ownership and control and protection of minority shareholder rights etc. However, in several other institutional contexts where these characteristics are either not presents, weak or lack implementation like in case of emerging economies, principal-agent relation alone may not be appropriate for analysing corporate governance. The corporate governance in these economies are characterised by scholars as having conflict of interest between controlling and minority shareholders also known as Principal-Principal agency model. This sub-field has grown in last two decade and attracted interest of scholars across disciplines like Finance, Economics and Strategy. The present paper attempts to synthesis and review conceptual and empirical developments in the research on Principal-Principal conflicts and suggest possible directions for future research.

## Does Macroeconomic Environment Matter in Firms' Diversification and Group Affiliation? Evidence from India

Saptarshi Purkayastha, *Indian Institute of Management-Kozhikode*

Although studies have examined the diversification-performance and business group affiliation-performance relationships, very few researchers have considered the impact of macro-economic environment on these relationships. This study examines the impact of diversification and business group affiliation on performance of firms operating in a scarce macro-economic environment. Using five measures of diversification across time periods of munificence and scarcity, we ran panel data regression analysis to get robust results. Results indicate that diversification is influenced by macro-economic parameters while business group affiliation is immune to them. In scarce macro-economic conditions, diversification has a negative impact on firm performance. However, business groups positively moderates the negative diversification-performance relationship, irrespective of macro-economic conditions.

## Influence of Corporate Governance Mechanisms on Use of IPO Proceeds by Indian firms

Deepika R Gupta, *Indian Institute of Management-Bangalore*  
Kothandaraman Kumar, *Indian Institute of Management-Bangalore*

Rejie Pallathitta, *Indian Institute of Management-Bangalore*

The study examines the influence of corporate governance mechanisms on utilization of public funds post-IPO by Indian firms. The cross-examination of corporate governance mechanism and IPO funds utilization provide attractive context to research

governance. IPO proceeds usage is a specific commitment to the shareholders, where firm's obligation to honour this commitment commences simultaneously with the IPO event and the manner in which this obligation is dealt with in accordance with the letter and spirit of relevant laws and regulations can have a signalling effect on the governance standards of the firm. This study examines 154 Indian IPOs that occurred from 2007 to 2009, their annual reports to trace funds utilization, the deviations thereof, the manner of dealing with these deviations and consequently, the implications for governance.

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### **Influence of Interplay between Leadership, Governance & Management on Organizational Transformation in a Higher Education Institution**

Mahendra Saxena, *Sharda Group of Educational Institutions*  
Nikhita Saxena, *Leeds Metropolitan University*

After the rapid growth of higher education institutions in India during the last fifteen years, the industry is at the crossroads of excellence and survival. Institutions that remained within the governance mandated by external regulatory bodies like AICTE, UGC and the affiliating university, and continued with a weak leadership & management structures, are facing a crisis of existence with a negative growth. Institutions which innovated and created strong governance & leadership structures (Bauer), despite being mandated by regulatory bodies, have established their distinct brand and are on the verge of moving into the excellence domain in India and into a competitive zone of global rating. We studied in depth one such institutions that was able to transform through innovation in governance & leadership and present here a qualitative analysis of how an interplay of governance, leadership & management influences organizational transformation (Bass, 1999)

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### **Leveraging External Technology for Competitive Advantage: Moderating Effect of Business Group Affiliates in Emerging Economy**

Indrajit Mukherjee, *XLRI Xavier School of Management*

Extant literature on business groups in emerging economies shows that business groups improve the innovative capability of their affiliates. However it does not explore how they leverage their technologies to create competitive advantage. Moreover, having very low technological capability, most domestic firms of emerging economies cannot innovate. They depend on external sources of technology. This paper explores how business group affiliation influences the ability of the domestic firms of emerging economy to leverage their externally acquired technology? A multiple industry longitudinal study carried out using secondary panel data of 3026 private Indian firms for seven years show that business groups can leverage imported technology for achieving higher growth than independent firms. However the independent firms are better in leveraging imported technology for achieving higher profitability.

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#### SESSION 31

### **ADAPTATION AND IMPROVISATION IN EMERGING MARKETS**

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<b>TRACK A</b>	<b>Date</b>	Tuesday, Dec 17
	<b>Time</b>	16:30 – 17:45 h
<b>Paper</b>	<b>Room</b>	Takshashila

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**Session Chair** Amit Karna, *EBS University*

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### **Does Position due to Institutional Context (or Institution Traction) Facilitate or Constrain Productivity in SOEs?**

Anubha Shekhar Sinha, *Indian Institute Of Management -*

*Calcutta*

Preet Aulakh, *York University*

Drawing from organizational ecology and institutional theories, we examine whether the position that a State Owned Enterprise possesses by virtue of its institutional context (we term it as "institutional traction") facilitate or constrain firms' productivity during institutional transitions necessitated by economic liberalization in socialist economies like India? Empirical results from a population of central public sector enterprises (CPSEs) from India during the period 1991-2008 support the inertia arguments proposed by these theories. That is, we find that given their founding conditions and embeddedness in their past institutional contexts, SOEs' are less likely to work towards productivity. However, in presence of competition and private ownership, some SOEs tend to use their institutional traction (or position) obtained by virtue of being important to government in various ways viz. social, political and economic, towards increasing their productivity.

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### **Firm's Capabilities & Characteristics that Enable Superior Performance in Recessions**

Claudio Conti, *FGV-EBAPE*

Rafael Goldszmidt, *FGV-EBAPE*

Recessions cause severe impacts to most firms while other firms prosper, but strategic management has made little progress in understanding the reasons for this difference in performance. We build on the Resource-based view of the firm (RBV) and its relationships with theories on entrepreneurship, improvisation and flexibility to create an integrative model that explains the resources that enable superior performance in recessions. Based on Partial Least Squares analysis of Brazilian firms during the 2008-2009 recession, we find that have superior performance those firms that have a propensity to see opportunities and improvisation capability for fast and creative actions. We also find indirect effects of entrepreneurial orientation and flexibility.

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### **Role of Entrepreneurial Bias in Low-Cost High-Volume Business Model for Opportunity Creation in Emerging Economies**

Mukund Dixit, *Indian Institute of Management-Ahmedabad*

Sunil Sharma, *Indian Institute of Management - Ahmedabad*

Amit Karna, *EBS University*

The process of business model development is often subsumed under the concept of opportunity creation. One of the essential tasks involved in opportunity creation is to convert a basic business idea into a concrete business model. Cognitive limitations of the entrepreneur and the emergent nature of opportunity creation can influence the process of business model creation. However the exact nature of influence and the manner in which this effect plays out is not known. Our single case study in an emerging economy shows that the business model is shaped through three set of innovations that serve the function of defining its architecture, augmenting its features, and buffering from instability. However biases in such context where entrepreneurs may have social aspirations influence the business model creating unfavourable outcomes.

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### **Strategy-on-the-Go: Revisiting Strategic Choice and Strategic Leadership**

J. Ramachandran, *Indian Institute of Management - Bangalore*

Anirvan Pant, *Indian Institute of Management Calcutta*

K S Manikandan, *Indian Institute of Management*

*Tiruchirappalli*

Much of the literature on strategic leadership has been concerned, to date, with a narrow focus on demographic characteristics of the firm's top management team. If we are to secure a holistic and more meaningful perspective on strategic leadership, it is

important to start paying attention to the process and context of strategic leadership as well. Characterizing the post-1991 Indian business environment as a high-growth low-resource context, we argue that this context favours an agile mode of resource allocation that we label as 'Strategy on the Go.' Comprising four interlocked elements – a modular conceptualization of opportunity, centrality of disadvantage, layered legitimation, and engaged identity management – strategy-on-the-go highlights how the context of strategic leadership plays a critical role in shaping the process of strategic leadership.

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SESSION 14

**EMERGENT BORN GLOBAL IN BANGALORE: PATHWAYS FOR INTERNATIONAL NEW VENTURES VIA MNE NETWORKS**

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<b>TRACK B</b>	<b>Date</b>	Tuesday, Dec 17
	<b>Time</b>	16:30 – 17:45 h
<b>Panel</b>	<b>Room</b>	Somapura

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**Session Chair**

Shameen Prashantham, *University of Nottingham*

An emerging economy setting provides a valuable setting to observe the network dynamics of international new ventures. Longitudinal case-study research, conducted over a decade, provides insight into shifts in the local ecosystem and innovation strategies vis-à-vis a services versus product orientation among Bangalore-based software ventures. The core argument is that the extent to which an international new venture's internationalization pathway is influenced by MNE networks is a function of the alignment between local entrepreneurial dynamics, MNE network dynamics and new ventures' innovation strategies, which in turn affect their social capital and relational capabilities for boundary-spanning within MNE networks. Panellists provide an overview of the shifting innovation strategies of Indian software firms and the evolving entrepreneurial ecosystem in Bangalore to support discussion of the above arguments.

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SESSION 16

**ENTREPRENEURSHIP AT THE BOTTOM OF PYRAMID**

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<b>TRACK C</b>	<b>Date</b>	Tuesday, Dec 17
	<b>Time</b>	16:30 – 17:45 h
<b>Paper</b>	<b>Room</b>	Vallabhi

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**Session Chair** Sumit Kundu, *Florida International University*

**A Case Study on the Implementation of Social Responsibility Programs in ArcelorMittal Brazil**

Letícia Araújo, *Federal University of Juiz de Fora*

Luciano Polisseni Duque, *Instituto Federal do Sudeste de Minas Gerais - Campus Juiz de Fora*

Joao Roberto Lobo, *SEBRAE Minas Gerais*

Cid Botelho, *Rural University of Rio de Janeiro*

This paper discusses the importance of social responsibility as part of the pillars of sustainability of organizations. As a case study we used the ArcelorMittal company, located in the city of Juiz de Fora, an important economic Brazilian hub in state of Minas Gerais. The company instituted an award linked to the thematic environment where participate students of the school community and children of employees. The methodology included a qualitative research with the stakeholders of the company, collecting their testimonials about the image of this organization. As a result, it was identified a positive image, being seen not only as a company that occupies a physical space and generates profits, but generates social

counterparts to the community.

**Expectations from Prodigal Son: Corporate Social Responsibility in Developing Countries**

Kajari Mukherjee, *Indian Institute of Management - Indore*

This study builds up on strategic view of Corporate Social Responsibility (CSR) as embedded entities in a larger socio-economic structure by arguing that in developing countries business should shoulder responsibilities of the state in solving the myriad problems affecting such nations. Rather than just concentrate on containing negative externalities and/or building up on positive externalities; as a requirement for business legitimacy, and creating path-dependent nature of firm-stakeholder relations, the business has to consciously concentrate on pressing needs of respective society at macro level, as well as concentrate on immediate communities where they operate. The framework is bolstered with reference to CSR activities in Indian context.

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**Strategic Balancing of Organizational Legitimacy in Social Entrepreneurship**

Anjan Ghosh, *Indian Institute of Management Calcutta*

The emerging concept of Social Entrepreneurship is a prominent and promising BoP approach towards sustainable development. The deep embeddedness with the context remains one of the key characteristics of social entrepreneurship. Legitimation from various environmental constituents enacts the contextual embeddedness for the organization. Several scholars have emphasized the critical relevance of organizational legitimacy in the context of social entrepreneurship and social enterprise. However, the extant literature has given scant attention to understand the complexity of balancing the different legitimated positions that the organizations earn from various stakeholders. In this article, using extended case method (ECM), we study an established social enterprise in India and argue that the balancing of various types of legitimacy earned from various institutional and non-institutional entities that constitute the organization's external environment could be critical to the success and survival of a social enterprise and is thus strategic in nature.

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**The Structure of Content In Multiplex Ties: Exploring the Advantages for Rural Entrepreneurs**

Suresh Bhagavatula, *Indian Institute of Management - Bangalore*

The network perspective has been explored to explain the performance of entrepreneurs. Over the last two decades the results of the studies have been inconclusive. Some scholars have reported positive effects of structural holes on performance, some identified detrimental effect of structural holes whereas some others found no evidence of influence. We argue that these conflicting findings could be due to the fact that in all these studies, networks have been operationalized as conduits of a single type of content. However, many ties are not uniplex but are multiplex (conduits of multiple content forms) in nature. We argue that to better identify redundancy of ties, we need to take into account what actually passes through these ties – its content and only on the basis of this content can we accurately identify redundant relationships.

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SESSION 13

**STRATEGIC ISSUES IN EMERGING ECONOMIES**

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<b>TRACK D</b>	<b>Date</b>	Tuesday, Dec 17
	<b>Time</b>	16:30 – 17:45 h
<b>Common Ground</b>	<b>Room</b>	Jagaddala

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**Facilitator** Ram Ranganathan, *University of Texas-Austin*

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## Competing Formally in an Increasingly Informal World

Margaret Schomaker, *Laval University*  
Anna Lamin, *Northeastern University*

This paper investigates how both corruption and the informal economy present significant competitive challenges for foreign entrants, beyond the threat of expropriation traditionally examined in international business literature. We develop a framework that first considers how the pervasiveness and arbitrariness of corruption in a given country will affect the informal economy in terms of its scope and relative reliability. We then show how informal players compete differently from their formal rivals and argue that the scope and relative reliability will ultimately shape the nature of competition within the market for all players. For MNEs, the scope of the informal economy can limit their activities and the relative reliability can decrease their competitiveness vis-à-vis informal rivals.

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## Effectiveness of International Anti-Corruption Regulations: A Simulation Model

Srividya Jandhyala, *ESSEC Business School*

International anti-corruption regulations – governing the behavior of firms in a foreign country – seek to lower the supply side of bribes while allowing firms to redeploy those resources towards providing better products and services. This paper examines whether innovative, but non-bribing firms can remain competitive in the product market, and the conditions under which international anti-bribing institutions are effective in combating bribery. Using a simulation based model, I examine the behavior of bribing and non-bribing firms. The results indicate that the majority of the firms in the system must adhere to non-bribing to change the corruption landscape. Further, non-bribers face a competitive disadvantage in the product market, but one that can be overcome by highly innovative firms.

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## Multinational Corporations and Sustainability: A Preliminary Investigation of Corporate Sustainability Strategies in Multiple Contexts

Venkataraman Sankaranarayanan, *Indian Institute of Management-Calcutta*

Amit Chakrabarti, *Indian Institute of Management Calcutta*

Corporate sustainability (CS) is assuming increasing importance for multinationals corporations (MNCs) and is evolving from a good-to-showcase agenda, to one that can generate distinctive competitive advantages. Notwithstanding such enlightened re-orientation, CS research continues to grapple with myriad theoretical conceptions and apparently contradictory corporate objectives, and seeks a unifying theoretical framework which can harmonize the diversity in CS strategies and performance. In seeking to partly address this need, our research is a preliminary exploration of patterns in the sustainability reporting of the world's largest MNCs. We map to multiple contexts, the patterns in CS initiatives that emerge through a content analysis of CS reports – origin, industry membership and geographical diversity and also argue that interaction effects amongst multiple dimensions of CS potentially influence CS orientations

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## To Be or Not to Be: Strategies of MNEs to Manage Corruption in an Emerging Economy

Narender Sharma, *University of Newcastle*

Corruption is a phenomenon found in virtually all countries and is particularly widespread in emerging and less-developed economies. It exists to varying degrees in all cultures and under all market systems. This paper is not intended to pass judgement or discuss moral issues but aims to understand strategies MNEs

adopt to manage corruption in an emerging economy. Prior studies have observed the impact of corruption on national economies but not at the firm level. This study looks at how MNEs mitigate the impact of corruption in an emerging economy and manage such risks in international markets. The methodology is qualitative. Drawing on insights gained from this study, it is argued that MNEs find alternative strategies to overcome this challenge by relying on their Joint Venture partners or using the services of agents or consultants.

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## Why Do Strategic Projects Fail in MNCs: A Resource Dependence Perspective

Sasanka Sekhar Chanda, *Indian Institute of Management - Calcutta*

Sougata Ray, *Indian Institute of Management-Calcutta*

Guided by a belief that there is more to failure of a strategic project than decision mistakes by managers and serendipity, we study the recollections of a mid-management participant regarding the unfolding of one such project over its lifespan. We trace the genesis of micro-level dysfunctions, and reflect on how, if at all, such dysfunctions may be headed off by timely managerial action. Applying a resource dependence perspective, we try to uncover the mechanisms underlying failure of strategic projects. The demonstrated necessity for trust relationships for smooth conduct of strategic projects suggests the need for a rethinking of management practices that focus on the opportunistic rather than the altruistic aspect of organizational members.

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### SESSION 30

## R&D AND KNOWLEDGE MANAGEMENT IN EMERGING MARKETS

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### TRACK A

Date Wednesday, Dec 18

Time 08:00 – 09:15 h

### Common Ground

Room Jal-Tarang

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### Facilitator

Mona Makhija, *Ohio State University*

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## Behavioral Microfoundations of R&D Managers: Evidence from New Product Development Processes in Indian Firms

Niharika Garud, *Indian Institute of Management - Bangalore*

ProfL Prasad, *IIM Bangalore*

In recent years, India has seen a rapid growth in new product development (NPD) and R&D centers in hi-tech industries. Our understanding of R&D and new product development processes are limited in emerging economies including India. This study examines the role of behavioral factors that influence the R&D decision-making and how these decisions impact performance during new product development. The data was collected at R&D centers involved in developing new products in seven large sized hi-tech firms in India. Preliminary results showed that innovative behavior of R&D managers positively influence non-predictive decisions taken by them while developing a new product; non-predictive decisions positively influenced R&D outcomes. This study contributes to the field of decision-making within NPD through a better understanding of how behavioral patterns impact decisions and performance.

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## Dynamic Capabilities and System Integration: A Conceptual Exploration Inspired by the Case of Petrobras

Luis Enrique Urtubey De Césarís, *Getulio Vargas Foundation*

Monica Pinhanez, *FGV-EBAPE*

Flavio Vasconcelos, *FGV-EBAPE*

This paper addresses the knowledge building process within



Petrobras' efforts in deep-water oil exploration within the two literature bodies: the Dynamic Capabilities Approach (DCA) and System Integration (SI) studies. While that SI can be understood as a dynamic capability, we believe that further crosspollination between these bodies of work can be fruitful, especially if we focus on their core shared assumptions: a neo-Schumpeterian evolutionary theory of the firm. We weave together these two theories through some elements of Petrobras's developmental path. Interviews with current and former employees, we show how Petrobras, embedded in a specific set of knowledge networks, and building upon its own capabilities, evolved from a company focused on knowledge of "operational" characteristics to one with adaptive, generative, and strategic capabilities.

## Management Challenges in Offshoring R&D: The case of Bio-Pharmaceutical Industry

VK Narayanan, *Drexel University*

This research project aims to document the challenges in offshoring of R&D in bio-pharmaceutical industry. Specifically, what is focus of R&D offshoring by the bio-pharmaceutical firms,? what managerial systems support the strategic initiatives,? and what are the recurring management challenges and how are senior managers dealing with them? We examine the case of three of the largest firms in the bio-pharmaceutical industry. Our emerging findings underscore the diverse pathways by which the three firms have embarked upon offshoring, challenges that are both common across firms and unique to each firm's strategic and historical context, and the critical role of organizational learning in this process.

## Strategy and Governance in a Collaborative Drug Discovery Community

Vegard Kolbjørnsrud, *BI Norwegian Business School*

Øystein Fjeldstad, *BI Norwegian School of Management*

The challenges, constraints, and opportunities facing countries like India serve as spawning ground for novel collaborative organizational forms. We study how governance emerges and operates in a collaborative drug discovery community. Open Source Drug Discovery (OSDD) is a collaborative community originating from India and established to discover therapeutic drugs for poor patients in the developing world. It is leveraging the collective capabilities of an open and diverse community of more than 7000 participating experts and volunteers worldwide in drug discovery and development. We examine how the community manages the complex and uncertain process of drug discovery, challenging resource constraints, diverse motives for participation, and discuss how the community might offer novel solutions to these governance challenges. Implications for research and practice are outlined.

### SESSION 23

## ACHIEVING BUSINESS LEADERSHIP THROUGH ENTREPRENEURSHIP

### TRACK A

Date Wednesday, Dec 18

Time 08:00 – 09:15 h

### Paper

Room Takshashila

Session Chair Raveendra Chittoor, *Indian School of Business*

## Effect of Organizational Risk Taking Propensity on Dynamic Capabilities: An Emerging Markets Perspective

Atul Pathak, *Indian Institute of Management - Ahmedabad*

While fields such as entrepreneurship, innovation and strategic decision making have theorized the effect of risk propensity on various organizational outcomes, the dynamic capabilities

theory largely ignores risk. We address an important gap in the strategy literature and contribute to the dynamic capabilities theory by conceptualizing risk propensity as a factor affecting the organization's potential to respond to the dynamic environments that are characteristic of emerging economies. Further, we put forward several propositions that relate the organization's risk propensity to each of the micro-foundations of dynamic capabilities, i.e. sensing opportunities and threats; making timely decisions; making market oriented decisions; and changing resources base. We provide illustrations from recent regulatory changes in the Indian economy to support our claims.

## Growth Aspirations of Entrepreneurs: A Study in the Context of Indian Women Entrepreneurs

Vidhula Venugopal, *Indian Institute of Management - Bangalore*

Srinivasan Raghavan, *Indian Institute of Management - Bangalore*

Extant literature assumes the desirability of growth. However, it has been noted that these growth choices may be deliberate. Any behaviour is preceded by the intention to perform it. This paper looks at the growth aspirations of entrepreneurs and tries to understand it through cognitive aspects of the entrepreneur. It uses arguments from expectancy theory and cognitive views of entrepreneurship under the theoretical lens of the theory of planned behaviour to understand the same. It uses the context of women entrepreneurs given the evidence from literature that suggests lower growth thresholds and lower growth intensity among women entrepreneurs. A mixed-method approach is undertaken with a survey following a set of interviews. The results indicate the importance of contextual factors and entrepreneurial self-efficacy on growth aspirations.

## The Search for Mechanisms of Managing Ambidexterity in New Ventures

Sabyasachi Sinha, *Indian Institute of Management-Lucknow*

We focused here on identifying how ambidexterity is managed in growth phase of new firms. We found that founder's ambidextrous orientation was an important predictor of top management team (TMT) ambidexterity. Further, TMT ambidexterity influenced functioning of the mechanisms which facilitated in managing the exploration-exploitation dilemma. In this research we find how founders' and top management teams' (TMTs) characteristics, composition, and capabilities influence the mechanisms of balancing exploration and exploitation through their actions and behaviours. The mechanisms identified were: divergent and convergent decision making, adopting a domain based approach, allowing independent ventures within organization, and having exploration and exploitation champions at different levels leading to linking of exploration and exploitation activities, which in turn lead to organizational ambidexterity.

## To Be or Not to be Women Entrepreneurs in a Developing Country?: A Comprehensive Assessment of Challenges

Preeti Goyal, *Great Lakes Institute of Management*

Vanita Yadav, *IRMA*

Madhu Vij, *University of Delhi*

Women entrepreneurs are making increasing contribution to economic growth and policy makers cannot afford to ignore this force. Yet, women entrepreneurs face challenges of higher magnitude as compared to their male counterparts. These challenges are unique to them and are more hard-hitting, pronounced and complex in developing countries. This study presents a comprehensive view of challenges faced by women entrepreneurs in developing countries, which include difficulty

in accessing finance, socio-cultural biases against women and low self-esteem, existence of institutional voids, and lack of skills and entrepreneurial education. Addressing these challenges in an integrated and comprehensive manner can unleash the full potential of women entrepreneurs. This study can provide a base for further studies and is likely to have important implications for policy makers.

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#### SESSION 7

### ENTREPRENEURIAL GLOBALIZATION IN EMERGING ECONOMIES

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<b>TRACK B</b>	<b>Date</b>	Wednesday, Dec 18
	<b>Time</b>	08:00 – 09:15 h
<b>Paper</b>	<b>Room</b>	Somapura

**Session Chair** Anoop Madhok, *York University*

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#### Competitive Strategies and Market Selection of SME Exporters from an Emerging Economy

Abu Hanifah Ayob, *University of Toulouse 1 Capitole*

This study examines the relationship between competitive strategies of SME exporters from an emerging economy and their international market selection. Our propositions are based on how cost leadership, differentiation, and focus strategies determine SME's current and future export to developing and developed countries. We suggest that cost strategies positively related to the export to developed countries but negatively related to the export to developing countries. While differentiation strategies would have the opposite effects of cost strategies, a focus strategy is expected to be negatively associated with exports to both markets. We also argue that the integration of focus strategies and cost leadership/differentiation strategies would weaken the mentioned positive and negative correlations. Finally, we expect the same factors to similarly affect future export market selection.

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#### Drivers of Internationalization of Emerging Multinationals: A Study of Indian IT firms

Rajesh Upadhyayula, *Indian Institute of Management - Kozhikode*

Karthik Dhandapani, *Indian Institute of Management - Ahmedabad*

Amit Karna, *EBS University*

Although emerging market multinational corporations (EMNCs) are growing at a rapid rate, little is known about their early internationalization process and the impact on the firm performance. We adopt an institutional arrangement lens and examine cluster presence and quality certification as factors affecting EMNCs' early internationalization efforts and their moderating effect on firm performance. We analyze panel data from 174 Indian IT firms during 1997-2002 period to investigate EMNC internationalization. The results show that although the direct effect of certification on performance is negative and significant, the interaction with internationalization has a positive and significant moderating effect on firm performance. Further, clustering is not associated with either internationalization or performance; however the effect turns significant and negative when interacted with internationalization.

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#### Globalization and Dynamic Capabilities: Indian Pharmaceutical Firms 1991 to 2006

Sumit Majumdar, *University of Texas-Dallas*

Arnab Bhattacharjee, *Heriot-Watt University*

Abhijit Mandal, *City University*

Relatively few firms from developing countries have become or aspire to be MNCs. We seek to understand how the management

of such firms approach and guide such transitions. Specifically, we examine firm behavior in the Indian pharmaceutical industry over the last 20 years and develop hypotheses about how managerial initiatives, based on dynamic capabilities, explain the observed behavior. For further support, we analyze relevant archival data from the Reserve Bank of India database through our hypotheses. Our results indicate that pro-active management and timely upgrading of R&D skills have played a significant role in successful transition. As our hypotheses are derived from dynamic capabilities, this paper also tests the effectiveness of dynamic capabilities as a response to globalization.

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#### Governance Structure, Internationalization, and Performance of Emerging Market Firms

Ajai Gaur, *Rutgers University*

We examine the role of ownership structure on international diversification during institutional transition. We argue that the ownership concentration along with the identity of owners will influence the internationalization of firms. We further argue that firm governance will affect the relationship between international diversification and firm performance. Our results based on a longitudinal sample of more than 5000 publicly listed Indian firms during 1990-2005 suggest that higher ownership of domestic or foreign ownership associated with a higher level of international diversification for emerging economy firms. Further, we find a 'U' shaped relationship between international diversification and firm performance, which is moderated by ownership concentration of domestic and foreign owners as well as group affiliation.

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#### SESSION 8

### BUILDING GLOBAL CAPABILITIES IN EMERGING MARKETS

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<b>TRACK B</b>	<b>Date</b>	Wednesday, Dec 18
	<b>Time</b>	08:00 – 09:15 h
<b>Paper</b>	<b>Room</b>	Vallabhi

**Session Chair** Preet Aulakh, *York University*

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#### Building Capabilities for Radical Innovations in Resource-Scarce Environments

Pavan Soni, *Indian Institute of Management - Bangalore*

Rishikesha Krishnan, *Indian Institute of Management - Bangalore*

The capability for radical innovation is an imperative to a firm's continued competitive advantage, but the environmental resource scarcity can severely limit the avenues available with the firm to develop such a capability and the impact thereof. Situating the study in the context of Indian pharmaceutical industry, the paper offers a spiral model of capability building. It states that the firm must first graduate from a reliance on ad-hoc problem solving to building learning and integrative capabilities. It then should strengthen its stock of capabilities and resources through internal accumulation before selectively exploring external avenues, such as joint-ventures or joint-problem solving exercises. It must finally attempt breaking away from the resource-scarce environment by rapid internationalization, and acquisition of capabilities through global-ties.

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#### Business Models in Different Environmental Conditions

Rakesh Pati, *Indian Institute of Management - Kozhikode*

Nandakumar Mankavil Kovil Veetil, *Indian Institute of Management - Kozhikode*

Small and medium enterprises (SMEs) are the backbone of emerging economies and their success is vital for development of

these economies. Business models create value for these SMEs and help them survive and improve their performance. In this study we examine the influence of innovation and efficiency in the business model on the performance of SMEs in India. Further, we explore the moderating effect of environment on the effectiveness of business model innovation and efficiency. Based on the data from 237 SMEs in India, we found both innovation and efficiency in business model have significant implication on the firm performance. However, our findings suggested that SMEs working in dynamic environment benefit more from business model innovation while SMEs in hostile environment perform better with business model efficiency

## Creative Creations by Emerging Nation Multinationals

Shantam Shukla, *Indian Institute of Management, Ahmedabad*

This eclectic study compares the experiences of multinationals from emerging economy like India with firms from other nations like LG from Korea in 1970s and Sony in Japan in 1950s. Through this comparative approach we highlight the differences in international approaches of firms from emerging economy to that from other nations in recent past. The paper argues that against common perception emerging multinational enterprises from India have been as innovative as some multinationals from developed markets. These firms have excelled in “frugal innovation” to connect with large markets at “bottom of pyramid.” The ability of firms to build creative solutions using limited resources at hand to tap into large markets has been the highlight of recent success of multinational firms from emerging market.

## The Role of Firm-Specific Resources in the Internationalization-Performance Relationship: Empirical Evidence from Indian Firms

Jie Fu, *University of Toulouse 1 Capitole*  
Denis Lacoste, *ESC Toulouse*

Drawing on both the resource-based view and the three-stage model, this study aims to explore how firm-specific resources affect the international expansion of firms from emerging economies. Through the analysis of a sample of 138 Indian firms from the technology sector between 2007 and 2011, this study reveals a U-shaped relationship between internationalization level and Indian firms’ performance and a moderating effect of R&D resources and managerial capabilities on this relationship. Furthermore, this study demonstrates that internal financing resources lead Indian firms’ to expand internationally, however hindering their performance. These findings suggest that as latecomers in the global economy, Indian firms need to develop the firm-specific resources necessary to simultaneously accelerate their international expansion and enhance their international performance.

### SESSION 18

## INNOVATION AT BOP MARKETS

<b>TRACK C</b>	<b>Date</b>	Wednesday, Dec 18
	<b>Time</b>	08:00 – 09:15 h
<b>Common Ground</b>	<b>Room</b>	Jagaddala
<b>Facilitator</b>	Anna Lamin, <i>Northeastern University</i>	

## A Dialogical Model of Market Building in Emerging Markets

Mohit Anand, *FORE School of Management*  
Philippe Monin, *EMLYON*

Building on the existing and fast evolving research literature on International Business and Institutional voids, we address the following research question of: how do actors build markets in

emerging countries? Drawing on a multiple case research design, we study seven cases of innovations in the Indian Insurance industry and analyze data in an abductive perspective. The findings present a dialogical model for market building in emerging countries. In doing so, this comprehensive model captures several dimensions of market building which a priori focussed mainly on availability and affordability, but partially ignored the management of meaning and values that relate to the construction of social acceptability (i.e. Awareness and Legitimacy). Eventually, our model contributes to concerns shared by three communities: International Business and Bottom of the Pyramid scholars; Innovation and Diffusion scholars; and Economic Sociologists.

## Corporate Sustainability Performance Measurement System: A Critical Review and Development of a Comprehensive Framework

Bikramjit Ray Chaudhuri, *Indian Institute of Management Calcutta*

Sarada Gadepalli, *Indian Institute of Management, Calcutta*

The need for developing a robust measurement system for measuring and disclosing sustainable performances of the corporate has grown in response to the increasing awareness of the stakeholders. This study tries to understand the strengths and weaknesses of the earlier researches on corporate sustainability performance measurement systems (CSPMS). Further this study tries to develop a comprehensive framework of CSPMS by integrating ‘lagging’ sustainability measurement indicators, such as those provided in the Global Reporting Initiative framework, with ‘leading’ business excellence measurement indicators, such as those provided in the EFQM Excellence Model. Such an approach offers complete and reliable information to stakeholders on how organizations perform; how organizations organize themselves to improve their performance; and also provides a natural framework for comparison with other organizations.

## Doing Good While Making Money

Tanvi Kothari, *San Jose State University*  
Masaaki Kotabe, *Temple University*

Over the past decade the social enterprise ecosystem in India has grown steadily. Social entrepreneurship theory and understanding lag far behind its practice This study builds on the existing research gap by conducting and exploratory analysis of the Social Enterprises in India specifically, originating from three major states in India viz. Maharashtra, Gujarat and Uttar Pradesh. Our preliminary results suggest that despite their early successes, social ventures in this new generation are still entrepreneurial start-ups. They are well positioned to deliver products that meet both the needs and the wants of their clients due to facets like crowdsourcing, their business models and agencies that support their endeavors. These organizations demonstrate a way forward for the capitalist mode of production, one in which economic and social value creation are no longer seen as antithetical.

## Dynamic Capabilities in Ambidextrous Organization, Decision Making Patterns: Case of Google, Inc

Andrejs Cirjevskis, *RISEBA*

The paper adds to the understanding of how dynamic capabilities shaped in ambidextrous organization like Google, Inc. In recent years Google, Inc has diversified from internet search across a broad range of internet products including email, photo management, satellite maps, digital book libraries, blogger services, and telephony. The paper has theory focus, use qualitative empirical data and describes innovative practice of one of the leader of ICT (Information and Communications Technology) industry and takes the form of demonstration. The research demonstrates how

the ambidextrous strategic thinking and the dynamic capabilities create flows of innovative products and serve to generate micro foundations of sustained competitive advantages. The authors are going to make a longitudinal study on current topic.

## Emergent Markets & Reverse Innovation in Business Models: Bharti-Airtel and the US Wireless Telecommunications Industry

Kunal Banerji, *Eastern Michigan University*  
Stephanie Newell, *Eastern Michigan University*  
Sumit Kundu, *Florida International University*

This study looks at i) how firms from emerging markets make sense of an environment characterized by institutional voids and develop successful business models that take advantage of these voids; and ii) the impact of such business model innovation in other countries. We explore Bharti Airtel's development of a model that successfully outsources core elements of its business to thrive in an environment characterized by low prices and small margins. We look at the mimetic impact of that model on the US wireless telecommunications industry. Through a narrative analysis of the Airtel's letters to shareholders we posit a model of innovation in business models in emerging markets. Finally we develop a timeline of the emergence of new business model in the US industry.

## What we Can Learn from International Business Theory for Base-of-the-Pyramid Approaches

Anna-Katharina Lenz, *FGV - EBAPE*  
Ronaldo Parente, *Florida International University*

The authors of this article argue that many links with International Business Theory are overseen in the discussion of business approaches for the BoP, leading to missing clarity about the theoretical foundations of the BoP approach. The International Business literature gives plenty of opportunities for building linkages between the views. It offers more insight into appropriate BoP approaches by applying the knowledge-based view, the Resource-based-view, internationalization and institution literature to it. The knowledge-based perspective based on the RBV can help to answer the question why companies enter the BoP and how they manage to operate successfully in ventures at the BoP through knowledge acquisition and strategic partnering. Literature about institutionalism helps to support and to understand the nature of social embeddedness of the firm.

### SESSION 3

#### PLENARY TRACK

<b>TRACK P</b>	<b>Date</b>	Wednesday, Dec 18
	<b>Time</b>	09:45 – 11:00 h
<b>Plenary Panel</b>	<b>Room</b>	Auditorium

## Doing Well by Doing Good: Examining the New Social Compact of Business

### Moderator

Sougata Ray, *Indian Institute of Management-Calcutta*

### Panelists

Anita McGahan, *University of Toronto*  
Pooran Pandey, *Global Compact Network, India*  
Sangeeta Talwar, *Flyvision Consulting*

The quest for sustainable enterprises and inclusive growth is forcing firms to re-think their business models and emphasize the triple bottom line – people, planet and profits. In emerging countries like India with intractable poverty and social problems, Michael Porter's notion of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges, assumes even more importance. In this context, one witnesses organizations across the spectrum experimenting with

business models, new technologies, hybrid value chains, and unique governance systems to harness market-based solutions for social good. This panel, comprising of thought leaders from academia, industry, government, and intergovernmental international institutions will explore issues related to the opportunities and challenges faced by efforts to align business with social needs.

### SESSION 29

## LEADERSHIP AND TALENT MANAGEMENT ISSUES IN EMERGING MARKETS

<b>TRACK A</b>	<b>Date</b>	Wednesday, Dec 18
	<b>Time</b>	11:15 – 12:30 h
<b>Common Ground</b>	<b>Room</b>	Jal-Tarang

**Facilitator** Nandini Rajagopalan, *University of Southern California*

## CEO Compensation, Strategy and Governance: The Indian Experience 2008-2012

Bala Balasubramanian, *Indian Institute of Management Ahmedabad*

Samir Barua, *IIM Ahmedabad*

Karthik Dhandapani, *Indian Institute of Management - Ahmedabad*

The spectacular collapse of banking and financial giants that heralded the on-going crisis in the global economy focused attention on the unduly high executive compensations that were paid by these organizations immediately preceding the severe distress they experienced. The central issue is whether executive compensation should be determined essentially by the performance of the company or should the board intervene to moderate possible excessive impact of performance on compensation. Extremely good or poor performance may be due to factors outside the control of the executives while they faithfully implemented the strategy of the company as laid out by the board and implicitly approved by the shareholders. This paper explores the possible linkages between CEO compensation, strategy and functioning of the board in the Indian context.

## Exploring The Role Of Government In NOC Operations Under The Shadow Of NOC-IOC Alliances

Piyali Rudra, *Aalto University*

In this paper, I explore the how changes in firms' institutional environments, such as those in the role, resources and prominence of non-market actors (governments), can influence firms' internationalization choices and outcomes (National and International Oil Companies' [NOC/IOC] Strategic Alliances). Key issues include extent and nature of government involvement when NOCs and IOCs cooperate for access to resources, NOCs cooperate with each other to undercut overseas competition. If competitors are timing FDI at around the same time, firms either cooperate or go for tacit or explicit carving up of the global market (e.g., Rose and Ito, 2002). Example case: India's Oil and Natural Gas Corp. Ltd (ONGC) and China National Petroleum Corp. (CNPC) inked an agreement in 2012 to jointly bid for energy assets overseas.

## International Talent Management Practices in Emerging Market Firms: The Indian Human Capital Paradox

Tejavan Gandhok, *Singapore Management University*  
Richard Smith, *Singapore Management University*

With a national agenda of developing local talent that has been in many ways able to serve the world, Indian firms are faced with a paradox of considering the talent they need beyond their borders.

Questions related to the international talent practices emerge as Indian firms face the challenge of growing globally. To help address these questions, we share a framework for international talent management as a basis for collecting qualitative data from both Indian companies growing in international markets, as well as international MNCs operating in the Indian market. This inductive, qualitative research of the international talent management practices will provide insight for practitioners and researchers alike to enhance not only strategy execution but also the formulation of more local market effective business strategies.

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### **Leadership Succession as a Microfoundation of Dynamic Capabilities: Next Generation Drives Learning in Family Businesses**

Biagio Ciao, *University of Milan-Bicocca*

This paper analyses the microfoundations of dynamic capabilities in family business. Scholars have focused on the knowledge transfer from predecessors to successors. This paper analyses the knowledge transfer “opposite direction” which makes the succession an opportunity. This paper shows how knowledge may be transferred from successors to predecessors. It argued that the succession can be a microfoundation of dynamic capabilities because successors can spark learning processes. Four cases highlight that successors can: introduce new technologies; supply embrained skills or embodied competences; develop the encultured knowledge and collective understanding.

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### **Organization Design across Fitness Landscape: Using Information Space to Conceptualize Forms in Firms Today and Tomorrow**

Kajari Mukherjee, *Indian Institute of Management - Indore*

Choices about organization design represent a powerful strategic lever available to management. Design is an architecture which connects and weaves together all aspects of organization’s activities, its external and internal contexts, so that it functions as a complete dynamic entity. This study aims to produce novel understanding of factors that shape organization design, using concept of fitness landscape across framework of I (information) space, and transactional relationship based on information asymmetry about raw material and/or transformation process. It suggests likely organizational forms for various categories of organizations, and raises questions about encouraging self-organization mode in every type of firm rather than engineering premeditated structure, system and control; as energy needed to maintain such self-organized forms in mis-matched typology of organizations will be very high.

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SESSION 25

### **LEADERSHIP AND CORPORATE GOVERNANCE IN EMERGING MARKETS**

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<b>TRACK A</b>	<b>Date</b>	Wednesday, Dec 18
	<b>Time</b>	11:15 – 12:30 h
<b>Paper</b>	<b>Room</b>	Takshashila

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**Session Chair** Kunal Banerji, *Eastern Michigan University*

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### **Do Leadership Changes Matter? A Longitudinal Investigation in the Context of Two Banks in India**

Kamal Sharma, *Indian Institute of Management, Ahmedabad*  
Mukund Dixit, *Indian Institute of Management-Ahmedabad*

In this paper, we study the strategic journey of two major public sector banks of India over almost 90 years, and observe the role of their leaders during this journey. In this longitudinal study, we observe instances of strategic change in these firms in the context of external and internal environments, and the path dependencies

of the actions of the firms. The key questions we raise in this study are regarding the role of leaders, the importance of environmental context in which they operated, the ways through which they impacted their firms, and the importance of leadership changes. We use publically available secondary data from multiple sources, and ground ourselves in the process school of strategic change literature & the Upper Echelon theory.

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### **Does Having Women on Boards Create Value? The Impact of Societal Perceptions and Corporate Governance in Emerging Markets**

Lilach Nachum, *City University of New York*

Shamsul Abdullah, *International Islamic University Malaysia*

Kunorizah Kuismail, *Universiti Utara Malaysia*

Many governments seek to impose gender equality on boards, but the consequences of doing so are not clear and could harm firms and economies. We shed light on this topic by conceptualizing the relationships as firm- and board-specific and embedded within specific contexts. The theory is developed with reference to emerging markets, and tested on Malaysian firms. We find that female directors create value for some firms and decrease it for others. The impact varies across different performance indicators, firms’ ownership and boards’ structure. For some firms, it is more appropriate not to nominate women for boards. The findings call for nuanced responses in relation to women’s nominations from both governments and firms.

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### **Identifying Business-Politics Connections and Their Determinants in India**

Vivek Kumar, *XLRI Xavier School of Management*

Munish Thakur, *XLRI School of Business and Human Resources*

Ram Kumar Kakani, *Lal Bahadur Shastri National Academy of Administration (LBSNAA)*

Business-Politics connections is an understudied area in emerging economy contexts although we expect the nature of relationships to be different than that in developed economies due to structural differences between the two. Methods, such as presence of politicians on board or political donations to parties, used in developed economy contexts to establish existence of connections between businesses and politicians cannot be used in emerging economies due to differences in the way politicians are connected to businesses in these contexts. We propose and test a new way to establish business-politics connections in emerging economies, find that connections to firms in power affect firm value positively, and identify that determinants of business-politics relationships are size of firm, affiliation to business groups, and institutional environment at the time of incorporation of the firm.

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### **Impact of CEO Succession on Strategy of Firms in a Turbulent Environment**

Kamal Sharma, *Indian Institute of Management, Ahmedabad*

Harsh Dadhich, *Indian Institute of Management Ahmedabad*

Hem Dholakia, *Indian Institute of Management, Ahmedabad*

In this large-sample longitudinal study of Indian firms, we investigate the impact of change in leadership on strategy of firms. We root ourselves in the content school of strategic change (Rajagopalan & Spreitzer, 1996), and Upper Echelon theory (Hambrick & Mason, 1984), and explore the sample of all firms listed on a leading stock exchange during 1991-2012, starting the analysis during large scale macro-economic reforms in India. We create a composite measure of strategy using key elements of firm behavior for the purpose of measuring change in strategy of the firm, and explore whether the effect of CEO change is more pronounced in firms where the incoming CEO is an outsider rather than an insider; and whether the ownership of the firm influences the effect.

**COMPETITIVE STRATEGY IN EMERGING MARKETS**

<b>TRACK B</b>	<b>Date</b>	Wednesday, Dec 18
	<b>Time</b>	11:15 – 12:30 h
<b>Common Ground</b>	<b>Room</b>	Jagaddala
<b>Facilitator</b>	Elizabeth Rose, <i>University of Otago</i>	

**Emerging Market Enterprises and Action-Based Competition**

Anoop Madhok, *York University*  
 Rogerio Marques, *York University*

Traditional theoretical frameworks used in international business and strategic management research typically focus on industry, resource and institution-based explanations of firm competitiveness. These perspectives are limiting since they largely tend to emphasize what a firm has, such as competitive position or resource possession. Using the recent competitive emergence of emerging market enterprises (EMEs) as the backdrop, our paper introduces the perspective of international competition based on actions articulated by and executed through firms' business models. The emphasis here shifts from what a firm has to what a firm does with what it has. We attribute the successful expansion of EMEs in recent years to their business models, which leverage their particular conditions and history and manifest themselves in greater agility. Implications for the shifting basis of competitive advantage are discussed.

**Indian Energy MNCs in Sub-Saharan Africa: Impact on the Bottom of the Pyramid**

Vrushal Khade, *France Business School*  
 Richard Soparnot, *ESCEM - School of Business and Management*

The investment strategies of developed country MNCs into emerging markets (North-South) receives lot of treatment in the academic literature. Recently, there is a growing interest among academicians examining investment patterns from emerging to developed countries (South-North). This research paper aims to conduct an empirical study to examine impact of emerging country FDI on Sub-Saharan Africa (South-South) in reducing poverty and generating employment at BOP. The social impact on BOP due to South-South FDI on reducing poverty and creating employment in the host country is a neglected area of study. To fill this void, an empirical study would be conducted to assess the social impact of Indian MNC from Energy sector at BOP in Sub-Saharan African region and its effects on poverty reduction and employment generation.

**Marketing Strategies of Organized Retailing for Consumers**

Sunil Kumar Yadav, *University of Delhi*

The research findings suggest that compulsive buyers possess greater knowledge of store prices, more brand conscious and prestige sensitive in comparison with non-compulsive buyers. In research survey, there are 16 attributes, which influence the overall growth of organized retail sector. Out of 16 attributes 6 factors (Escalation dimension, Attraction, Strategies, Eye Catching, Promotional Dimension, Competition) are more dominant and play important role for the growth of organized retail sector. In spite of this exponential growth, the human resource factor in retail management is still largely ignored who lack of formal retailing education.

**MNE Networks and the Born Global: Exploratory Insights from Bangalore, Beijing and Britain**

Shameen Prashantham, *University of Nottingham*

Little is known about the interface between international new ventures (INVs) or born globals and large MNE networks. We inductively examine three cases from the software industry – from Bangalore, Beijing and London. We posit that MNE networks represent a substitute, rather than a complement, to the entrepreneurial ecosystem in emerging economies (relative to advanced economies), and MNE networks can be a pathway to international markets for emerging and advanced economies ventures given proactive actions to multiply ties within the MNE network; specifically, an emerging economy-based new venture's MNE relationship is likelier to be transformed into a global one when it accesses influential coethnic ties within the MNE network, whereas in an advanced economy this process is driven more by relocation of market-facing activities.

**Similarity in Organizational Strategies: Mimetic Influences on Entry Mode Strategies & Market choices of EMFs**

Mukundhan K.V., *Indian Institute of Management Kozhikode*  
 Nandakumar Mankavil Kovil Veettil, *Indian Institute of Management - Kozhikode*

Research on international market entry modes has relied extensively on Transaction Cost theory and Dunning's Ownership-Location-Internalization (OLI) framework. This study attempts to contribute to the market entry mode literature by projecting organizational isomorphism as an alternative theoretical explanation. Drawing upon concepts like international risk, uncertainty and reference groups, this paper explains the similarity in strategic behaviour of EMFs in the context of entry mode and location choice decisions. In addition, this paper also addresses the influence of a firm's strategic motivations (asset seeking, market seeking, efficiency seeking and resource seeking) and the role played by referent groups on the entry mode and market choice decisions of EMFs.

**Strategic Orientation of Resource-Constrained Small Businesses of Emerging Economies**

Safal Batra, *Indian Institute of Management - Ahmedabad*

This study makes an attempt to explore the linkages between a firm's external market orientation and internal resource orientation for small businesses of emerging economies. Our findings suggest that the two are not disparate and that the market orientation of the firm helps in establishing resource uniqueness, synergy and dynamism. Further, resource orientation of these small businesses mediates the relationship between the market orientation and firm performance. Our findings have significant implications for theory as well as practice.

**INNOVATION AND GLOBALIZATION IN EMERGING MARKETS**

<b>TRACK B</b>	<b>Date</b>	Wednesday, Dec 18
	<b>Time</b>	11:15 – 12:30 h
<b>Paper</b>	<b>Room</b>	Somapura
<b>Session Chair</b>	Ravi Ramamurti, <i>Northeastern University</i>	

**Ambidexterity and Growth: In-depth Case Study of an Emerging Market Multinational**

Ashish Malik, *University of Newcastle*

This paper analyses how an emerging market multinational employs a combination of exploratory and exploitative mechanisms or ambidexterity for managing its growth. Employing temporal and structural dimensions of ambidexterity, this proposal highlights the role a firm's human resource management architecture and other

differentiating and coordinating mechanisms play in achieving structural partitioning. Employing an in-depth qualitative case study design, this proposal presents evidence from an unusually exemplar and representative Indian multinational from the business process outsourcing industry. Although the study confirmed the presence of established ambidextrous mechanisms, novel insights about two distinctive mechanisms: differentiating and coordinating mechanisms demonstrates how an emerging market multinational achieves ambidexterity in a high growth market. Implications for theory and practice are also discussed.

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### **Expanding Learning in Multinationals: Provoking Insight and Innovation through the Study of Outliers**

Markus Pauku, *Aalto University*  
Liisa Valikangas, *Aalto University*

A multinational is traditionally seen as a mainstream management concept. Indeed, learning in multinationals tends to proceed through the study of best practice and isomorphic strategizing. We posit that much could be learned from expanding strategy research to include the study of organizations that embody potential futures of innovation and organization and by not simply revisiting the past and reapplying lessons already learned. For that end, we have embarked on a study of outliers – unusual, and even fringe, organizational phenomena around the world. India presents an interesting source of outlier learning. We report some of the findings from around the world and seek to integrate them into insights derivable from Indian multinational strategies that seek to overcome resource constraints and turn them into catalysts in innovation (Hoegl et al, 2009).

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### **Innovative Management Practices and Interventions at the Base of the Pyramid: An Organizing Framework**

Anirvan Pant, *Indian Institute of Management Calcutta*  
Saroj Kumar Pani, *XLRI, Jamshedpur*

Innovative management practices developed at the margins of the formal economy and the informal economy can play a pivotal role in the execution of large scale corporate interventions at the Base of the Pyramid ('BoP'). Focusing on the exclusionary and fragmentary impact of the informal economy on the poor, we argue that an innovative management practice is meaningful in the BoP context primarily when it enhances either access to markets for BoP constituents, or access to organization. We propose a framework that highlights six distinct BoP intervention strategies, contingent upon alternate conceptualizations of BoP constituents and of the desired outcome. Corresponding to each strategy, we explicate the nature of the innovative management practice that would underlie the implementation of the said strategy.

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### **Ownership Effects on the Innovation-Internationalization Relationship: A Study of the Indian Pharmaceutical Sector**

Saptarshi Purkayastha, *Indian Institute of Management-Kozhikode*  
Tatiana Manolova, *Bentley University*  
Linda Edelman, *Bentley University*

We combine insights from strategic management, international business, and corporate governance literatures in order to explore the link between innovation and internationalization under different ownership structures in the context of the pharmaceutical sector in India. We test our six hypotheses on a sample of 219 Indian pharmaceutical firms affiliated with business groups, over a five-year period (2005-2010) in a balanced panel of 1096 firm-year observations. Results indicate that, contrary to our contention, research expenditure is negatively associated with export intensity,

implying that firms in the Indian pharmaceutical sector face a trade-off between investing in innovation and in internationalization. As expected, ownership structures and business group characteristics significantly impact the strength of the relationship between innovation and internationalization. Theoretical and practitioner implications are discussed.

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#### SESSION 15

### **STRATEGY AT THE BOTTOM OF PYRAMID**

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<b>TRACK C</b>	<b>Date</b>	Wednesday, Dec 18
	<b>Time</b>	11:15 – 12:30 h
<b>Paper</b>	<b>Room</b>	Vallabhi
<b>Session Chair</b>	Hemant Merchant, <i>University of South Florida - St. Petersburg</i> Sougata Ray, <i>Indian Institute of Management-Calcutta</i>	

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### **How Do Incumbents Respond to Bottom-of-the-Pyramid Firm Entry?**

Ajay Bhaskarabhatla, *Erasmus School of Economics*  
Chirantan Chatterjee, *Indian Institute of Management, Bangalore*

Scholars argue that serving markets at the bottom of the pyramid (BOP), composed of consumers with low purchasing power, might be a strategic business opportunity. But do BOP firms affect market prices and the strategic choices of incumbent firms? We examine this using a BOP firm's potential and actual entry on incumbent pricing behavior, particularly that of high-end firms. We find that the threat of a BOP firm's entry, as well as its actual entry lowers high-end prices and raises low-end prices in the market. We document similar changes in package sizes revealing a potential mechanism through which this impact on prices is manifested. We relate these results to recent theoretical models of mixed markets featuring high-end and low-end firm entry and reflect on what makes the BOP strategy sustainable.

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### **Living in the Lion's Den: Building Hybrid Models in Multinational Firms**

Christiane Bode, *INSEAD*  
Filipe Santos, *INSEAD*

This paper explores how individuals operating inside established organization that strongly adhere to a market logic go about building social –commercial hybrid models. Through an inductive multiple case design we examine the hybridization strategies of individuals and teams inside seven multinational organizations at varying stages of success. We find that hybridization follows a broadly cumulative path in which champions develop strategies for five intermediate stages. Furthermore, our preliminary findings suggest that the primary difficulty underlying hybridization is a lack of justification for such initiatives and that the hybridization process requires champions to create new evaluation criteria through creative framing actions.

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### **Models of Affordable and Accessible Health Care in India: An Exploratory Study**

Satyajit Majumdar, *Tata Institute of Social Sciences*  
Arhana Singh, *Tata Institute of Social Sciences (TISS), Mumbai*  
Kshitija Sawant, *Tata Institute of Social Sciences*

Healthcare in India has been underfunded and people at the bottom of the pyramid (BoP) have been denied benefits of healthcare services. In the recent past organizations have begun to innovate to develop newer models to bridge this gap. Following grounded theory approach, this study explains - how these models engage in delivering affordable and accessible health care to the

BoP market. The models of Narayana Hrudayalaya (Founder- Dr. Devi Shetty) and Vaatsalya (Founder- Dr. Ashwin Naik) are studied for this purpose. The study shows that both the models are equally effective in specific contexts. Hence, two clear typologies have emerged with unique characteristics. Vaatsalya operates in niche, low cost and investment sensitive environment where as Narayana Hrudayalaya with global outlook caters to all segments with active support from government and others.

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## Redistribution and Legitimacy: Nurturing and Leveraging Institutional Traction in State Owned Enterprises

Anubha Shekhar Sinha, *Indian Institute Of Management - Calcutta*

Redistribution transfers advantages to base of the pyramid through state-owned enterprises (SOEs). But it is costly. It entails vertical relationships of SOEs with influential government and its agencies. It signals legitimacy. We propose in this paper that legitimacy can attenuate some liabilities of redistribution. We propose a construct of institutional traction in SOEs: It is a position, which an SOE derives from its institutional context, because of its historical as well as current standing. This position is associated with potential advantages. We also propose that a top management actor, with requisite attributes, can act in a manner to nurture and leverage these potential advantages and convert them into resources or advantages for fulfilling the demands of the new world order.

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### SESSION 4

#### PLENARY TRACK

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<b>TRACK P</b>	<b>Date</b>	Wednesday, Dec 18
	<b>Time</b>	13:45 – 15:00 h
<b>Plenary Panel</b>	<b>Room</b>	Auditorium

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## The Role of Business Groups in Emerging Economies like India: Opportunities and Challenges

### Moderator

Prashant Kale, *Rice University*

### Panelists

Pawan Kant Munjal, *Hero MotoCorp Limited*

Kavil Ramachandran, *Indian School of Business*

Mallika Srinivasan, *Tafe Motors and Tractors Limited*

Family-owned Business Groups are a ubiquitous part of the Indian business landscape. They have lead the countries entry and expansion in most critical industries, they account for a major proportion of how business is done in India and the market capitalization on the stock exchange. As India opened up its economy to the rest of the world, some expected the importance of Business Groups to reduce and some groups did experience that. But for the most part, Business Groups in India not only survived but thrived in the more open and competitive economy. This panel will examine what allows Indian Business Groups to remain globally competitive, what new opportunities lie ahead of them, and what challenges they need to overcome so as to lead their companies and country to greater heights in future.

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### SESSION 33

#### PLENARY TRACK

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<b>TRACK P</b>	<b>Date</b>	Wednesday, Dec 18
	<b>Time</b>	15:30 – 16:45 h
<b>Plenary Panel</b>	<b>Room</b>	Auditorium

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## R&D in Emerging Economies

### Moderator

Saikat Chaudhuri, *University of Pennsylvania*

### Panelists

Anita McGahan, *University of Toronto*

Anand Nandkumar, *Indian School of Business*

G.V. Prasad, *Dr. Reddy's Laboratories*

Phanish Puranam, *INSEAD*

Kannan Srikanth, *Indian School of Business*

Shyam Suri, *Cisco Systems*

Emerging economies such as India and China today contribute significantly to the world's R&D output. Recently, China has overtaken Japan as the country with the most number of applications in the United States Patent and Trademark Office. Multinational enterprises (MNEs) are looking to capitalize on the increasing R&D activity in emerging economies by establishing R&D centers in emerging economies. Indigenous firms too have now increased their R&D activity and are more keen than ever to compete globally on the basis of innovation, rather than on just cost arbitrage. Despite these trends we know little about to what extent and how corporate R&D is different in emerging markets from that in developed countries.

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