



CONFERENCE PROGRAM



CUHK Business School
The Chinese University
of Hong Kong



THE UNIVERSITY OF HONG KONG
Faculty of Business and Economics

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Strategic Management Society

JOIN THE CONVERSATION

#SMSHongKong



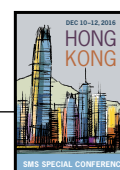
@Strategic_Mgmt



Group: Strategic Management Society



Channel: Strategic Management Society





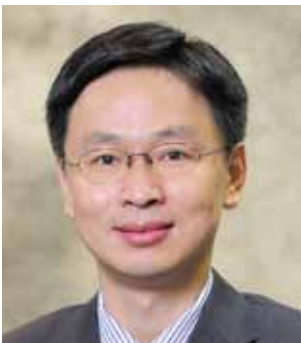
Jiatao Li

*The Hong Kong University of
Science and Technology*
Program Co-Chair



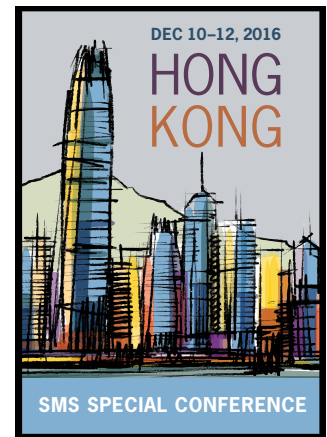
Gongming Qian

The Chinese University of Hong Kong
Program Co-Chair



Kevin Zhou

The University of Hong Kong
Program Co-Chair



Dear Colleagues:

We are delighted to welcome you to the 2016 SMS Special Conference in Hong Kong! Hong Kong is a fascinating, vibrant, and international city that blends the East and West. Hong Kong is also the gateway of China, a country with amazing growth in the past three decades, which makes Hong Kong one of the most dynamic cities in the world.

Asia has been an engine of global economic growth in past decades, yet now it faces various challenges, especially in its massive institutional transformation. The theme for this Special Conference, "Contextualizing Strategic Management in Asia: Institutions, Innovation, and Internationalization," has attracted over 250 high-quality submissions that address the challenges and critical research questions. What innovation models are particularly effective in Asian societies? What are the unique challenges of internationalization facing emerging market firms? How should local and multinational companies approach corporate social responsibility and sustainable development? How can we, as strategy scholars, contextualize such challenges and advance our theoretical development?

The conference's six-track program features more than 300 scholars from around the globe who are conducting cutting-edge research in these exciting areas. We are excited to have the exchange of research ideas and findings that address these challenges and identify new ways of strategic management in Asia. Many of the sessions will explore the limits of applying existing theoretical perspectives in Asia, develop Asia-specific management theory, and propose new theories tailored for Asian contexts. We hope that you will join us to exchange intellectual ideas while enjoying the wonderful scenarios, delicious cuisines, and unique culture in Hong Kong!

We would like to thank our sponsoring institutions that have made this conference a reality, including: The Chinese University of Hong Kong, The Hong Kong University of Science and Technology, and The University of Hong Kong. We would also like to express our gratitude to the many individuals who volunteered their time to serve as track directors, workshop organizers and panelists, reviewers, session chairs, discussants, and facilitators. We also want to especially thank the staff of the SMS Executive Office whose assistance has been invaluable to this conference.

Jiatao Li
Gongming Qian
Kevin Zhou



Dear Conference Participant:

We bid you a warm welcome to our Special Conference in Hong Kong. We are very happy to have you with us!

At this conference, scholars will explore the limits of trying to apply existing theoretical perspectives in Asia, develop Asia-specific management theory and propose new theories tailored for Asian contexts. The rise of the Asian region comes together with major challenges, especially in terms of massive transformation in its fundamental economic, social, political, and legal institutions. The theme of this Special Conference "Contextualizing Strategic Management in Asia: Institutions, Innovation and Internationalization" examines these challenges and hopes to advance discussion by gathering here in Hong Kong.

In contrast to the SMS Annual Conference, Special Conferences provide a smaller forum for discussion and debate, thus allowing a more in-depth examination of a specific topic. They also offer opportunities for members to meet and collaborate in smaller group settings. Thank you again for joining us for this event.

We would like to take this opportunity to thank those instrumental in organizing this conference. This event would not be a reality without the hard work of Program Co-Chairs Jiatao Li, Gongming Qian, and Kevin Zhou. We would also like to extend our appreciation to the Chinese University of Hong Kong for hosting this event with us and inviting us to their beautiful campus along with the support of the Hong Kong University of Science and Technology and the University of Hong Kong.

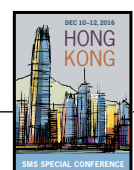
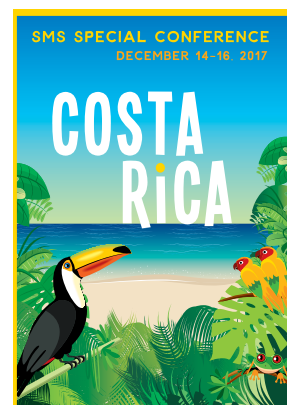
We hope that you have an illuminating and rewarding experience at our conference. We also hope you will think of SMS as your professional home. Please enjoy your stay in cosmopolitan Hong Kong!

Marjorie Lyles
President

Nikolaus Pelka
Executive Director



UPCOMING CONFERENCES



A Professional Society for the Advancement of Strategic Management

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

CONFERENCES

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

RESEARCH FUNDING

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

SCHOLAR AWARDS AND HONORS

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

PUBLICATIONS

The SMS is proudly involved with Wiley in the publication of leading journals that have been vital tools for the benefit of researchers and practitioners in the field for more than 3 decades. The *Strategic Management Journal* (SMJ) has been the official journal of the Strategic Management Society since its inception in 1980. This Class A journal is consistently rated one of the top publications in the management area. We also offer two quarterly journals, the *Strategic Entrepreneurship Journal* (SEJ) and the *Global Strategy Journal* (GSJ). Though still young, it is our firm intent for them to promote the development and dissemination of advances in the field by maintaining the highest standards of intellectual thought combined with practical relevance.



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

All the conference sessions will be held on the main campus of the Chinese University of Hong Kong (CUHK).

Cheng Yu Tung Building
The Chinese University of Hong Kong
12 Chak Cheung Street
Shatin, New Territories, Hong Kong

CUHK Campus Map

www.cuhk.edu.hk/english/campus/cuhk-campus-map.html



CONFERENCE POLICIES

Recommended Dress

Business casual attire is recommended for all conference sessions.

Sunday and Monday Evening Events

The dress for these events is business casual & conference name badges are required for entrance into each event.

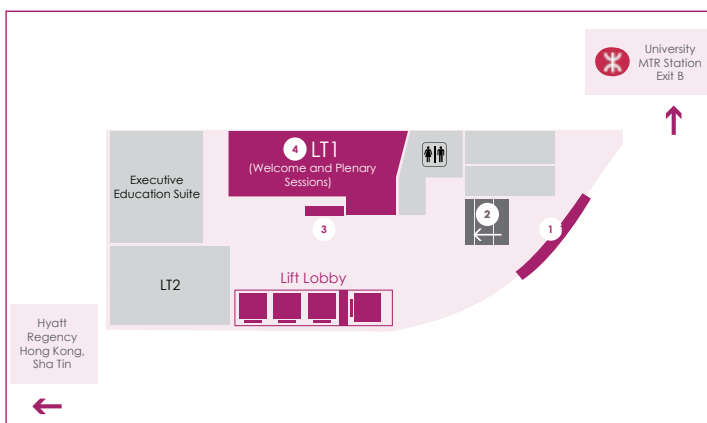
Name Badges

Name badges must be worn by attendees and guests at all times. Your name badge will be your ticket to luncheons and evening events. Access to these functions will be denied if you are without your name badge.

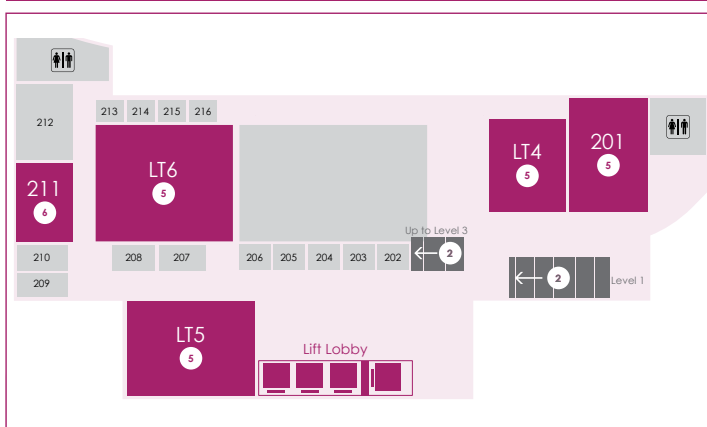
No Smoking Policy

In consideration of all attendees, we request that there be no smoking during all sessions and meal functions.

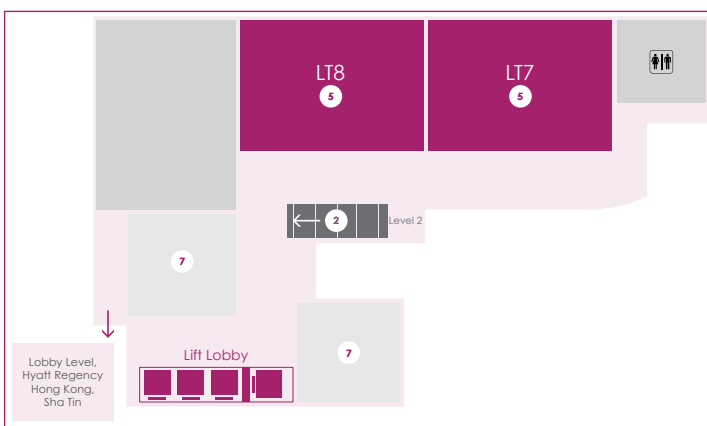
Cheng Yu Tung Building – Level 1



Cheng Yu Tung Building – Level 2



Cheng Yu Tung Building – Level 3



1 Main Entrance

2 Staircase

3 Registration Desk

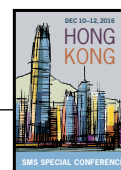
4 Plenaries
• Lecture Theatre 1

5 Paper Sessions

- Lecture Theatre 4
- Lecture Theatre 5
- Lecture Theatre 6
- Lecture Theatre 7
- Lecture Theatre 8
- Room 201

6 Developmental Sessions
• Room 211

7 Tea Breaks and Luncheons



PAST CONFERENCES

ANNUAL CONFERENCES

2016 BERLIN
2015 DENVER
2014 MADRID
2013 ATLANTA
2012 PRAGUE
2011 MIAMI
2010 ROME
2009 WASHINGTON DC
2008 COLOGNE
2007 SAN DIEGO
2006 VIENNA
2005 ORLANDO
2004 PUERTO RICO
2003 BALTIMORE
2002 PARIS
2001 SAN FRANCISCO
2000 VANCOUVER
1999 BERLIN
1998 ORLANDO
1997 BARCELONA
1996 PHOENIX
1995 MEXICO CITY

1994 PARIS
1993 CHICAGO
1992 LONDON
1991 TORONTO
1990 STOCKHOLM
1989 SAN FRANCISCO
1988 AMSTERDAM
1987 BOSTON
1986 SINGAPORE
1985 BARCELONA
1984 PHILADELPHIA
1983 PARIS
1982 MONTREAL
1981 LONDON

RECENT SPECIAL CONFERENCES

2016 ROME, ITALY
Strategy Challenges in the 21st Century: Innovation, Entrepreneurship and Cooperation

2015 ST. GALLEN, SWITZERLAND
Rethinking Corporate Headquarters: Innovative Approaches for Managing the Multi-Divisional Firm

2015 SANTIAGO, CHILE
From Local Voids to Local Goods: Can Institutions Promote Competitive Advantage?

2014 SYDNEY, AUSTRALIA
Strategic Management in the Asian Century: Dealing with Dynamism, Diversity and Development

2014 COPENHAGEN, DENMARK
Micro-Foundations for Strategic Management Research: Embracing Individuals

2014 TEL AVIV, ISRAEL
Startup and Restart Strategies

2013 MOHALI, INDIA
Strategic Leadership: An Emerging Market Perspective

2013 GLASGOW, SCOTLAND
Strategy in Complex Settings

2013 LAKE GENEVA, SWITZERLAND
Strategizing Practices from the Outliers: Enabling "Big Bang" Innovations

2012 GUANGZHOU, CHINA
Competing and Cooperating in and for China

2012 SINGAPORE
Globalisation Of Innovation Strategies: Novel Moves for a Global Game

2011 SAN DIEGO, USA
CK Prahalad: Reaching Over Boundaries and Expanding Possibilities

2011 RIO DE JANEIRO, BRAZIL
Latin America's Burgeoning Strategic Role in Global Development

2010 LAPLAND, FINLAND
Intersections of Strategy Processes and Strategy Practices

2008 HYDERABAD, INDIA
Emerging India: Strategic Innovation in a Flat World

2007 CATANIA, ITALY
New Frontiers in Entrepreneurship: Strategy, Governance and Evolution

HONG KONG EVENING EVENTS

SATURDAY, DECEMBER 10

Please join us for a Welcome Reception at The Stage, 3/F, Cheng Yu Tung Building, CUHK.

SUNDAY, DECEMBER 11

Conference attendees will be treated to a traditional Chinese banquet dinner and entertainment at Serenade Chinese Restaurant which is housed in the Hong Kong Cultural Centre, a prime venue for world-class performing arts and exhibitions, and located on the waterfront of Victoria Harbour in Tsim Sha Tsui. Attendees can enjoy a gastronomic experience, served with the metropolitan charm of Hong Kong by admiring the Hong Kong Island skyline towering over the busy waters of Victoria Harbour.

ITINERARY FOR THE EVENING:

18:05 First bus picks up (from Cheng Yu Tung Building, CUHK)

18:30 Last bus picks up (from Cheng Yu Tung Building, CUHK)

19:00 Dinner and entertainment

21:30 Buses depart for the University MTR Station and Hyatt Regency Hong Kong, Sha Tin

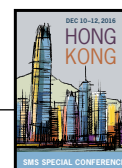


MONDAY, DECEMBER 12

On Monday evening, please join us for a brief closing reception following the last parallel session.

The individuals listed below worked with the Conference Track Chairs Jonathan Doh, Jiangyong Lu, Shige Makino, Klaus Meyer, Jaeyong Song, and Haibin Yang to review proposals for the conference. We appreciate and gratefully recognize the amount of time and effort spent making this a successful event.

Ruth Aguilera <i>Northeastern University</i>	Marleen Dieleman <i>National University of Singapore</i>	Han Jiang <i>University of Arizona</i>	Alan Muller <i>University of Groningen</i>	Jingyi Wang <i>Chinese University of Hong Kong</i>
Torben Juul Andersen <i>Copenhagen Business School</i>	Desislava Dikova <i>WU Vienna</i>	Kiattichai Kalasin <i>China Europe International Business School</i>	Jakob Mullner <i>WU Vienna</i>	Stephanie Wang <i>Indiana University</i>
Ilgaz Arikani <i>Kent State University</i>	Magdalena Dobraska <i>Copenhagen Business School</i>	Jingoo Kang <i>Nanyang Technological University</i>	Frank W Ng <i>Hang Seng Management College</i>	Yangwen Wang <i>Renmin University of China</i>
Preet Aulakh <i>York University</i>	Michael Dooms <i>University of Brussels</i>	Ribuga Kang <i>University of Minnesota</i>	Jennifer Oetzel <i>American University</i>	Chunlei Wang <i>San Jose State University</i>
Snehal Awate <i>Indian School of Business</i>	Douglas Dow <i>University of Melbourne</i>	Liena Kano <i>University of Calgary</i>	Chang Hoon Oh <i>Simon Fraser University</i>	Danqing Wang <i>University of Hong Kong</i>
Daniela Baglieri <i>University of Messina</i>	Alex Eapen <i>Australian National University</i>	Amit Karna <i>Indian Institute of Management Ahmedabad</i>	Yongwook Paik <i>Washington University in St. Louis</i>	Congying Wang <i>University of Texas at Dallas</i>
Yoon-Suk Baik <i>KAIST</i>	Jesper Edman <i>Hirotsubashi University</i>	Eun-Hee Kim <i>George Washington University</i>	H. Dennis Park <i>Drexel University</i>	George White <i>Old Dominion University</i>
Elitsa Banalieva <i>Northeastern University</i>	Scott Erickson <i>Ithaca College</i>	Yujin Kim <i>University of California, Berkeley</i>	Kyung Min Park <i>Yonsei University</i>	Michael A. Witt <i>INSEAD</i>
Helena Barnard <i>University of Pretoria</i>	Terence Fan <i>Singapore Management University</i>	Bo Kyung Kim <i>Yonsei University</i>	Chinmay Pattnaik <i>University of Sydney</i>	Yingzhao Xiao <i>Chinese University of Hong Kong</i>
Rene Belderbos <i>University of Leuven</i>	Wen Feng <i>MIT</i>	Patricia Klopff <i>WU Vienna</i>	Andreas Petrou <i>Cyprus University of Technology</i>	Luqun Xie <i>Hong Kong University of Science and Technology</i>
Mirko Benischke <i>Erasmus University Rotterdam</i>	Ruchunyi Fu City <i>City University of Hong Kong</i>	Vikas Kumar <i>University of Sydney</i>	Anupama Phene <i>George Washington University</i>	Zhe Xing <i>University of Southern California</i>
Sumon Bhaumik <i>University of Sheffield</i>	Sam Garg <i>Hong Kong University of Science and Technology</i>	Anna Lamin <i>Northeastern University</i>	Shameen Prashantham <i>China Europe International Business School</i>	Yuehua Xu <i>Sun Yat-sen University</i>
Daniel Blake <i>IE Business School</i>	Ajai Gaur <i>Rutgers University</i>	Curba M Lampert <i>Florida International University</i>	Jonas Puck <i>WU Vienna</i>	Junichi Yamanoi <i>Waseda University</i>
Olga Bruyaka <i>West Virginia University</i>	Lilpeng Ge <i>Hong Kong University of Science and Technology</i>	Thomas Lawton <i>Open University</i>	Gongming Qian <i>Chinese University of Hong Kong</i>	Haibin Yang <i>City University of Hong Kong</i>
Joanna Tochman Campbell <i>University of Cincinnati</i>	Anindya Ghosh <i>Indian School of Business</i>	Yonghoon Lee <i>Hong Kong University of Science and Technology</i>	Tazeeb Rajwani <i>Cranfield University</i>	Xiaoli Yin <i>City University of New York</i>
Albert Cannella Jr <i>Texas A&M University</i>	Peter Gianiodis <i>Duquesne University</i>	Joonmahn Lee <i>Purdue University</i>	Ravi Ramamurti <i>Northeastern University</i>	George Yip <i>Imperial College</i>
Barbara Carlin <i>University of Houston</i>	Aleksandra Gregoric <i>Copenhagen Business School</i>	Seung-Hyun Lee <i>University of Texas at Dallas</i>	Ayse Saka-Helmhout <i>Radboud University</i>	Michael Young <i>Hong Kong Baptist University</i>
Michael Carney <i>Concordia University</i>	Bin Hao <i>East China University of Science and Technology</i>	Minghua Li <i>Copenhagen Business School</i>	Grazia Santangelo <i>University of Catania</i>	Chengke Yu <i>City University of Hong Kong</i>
Xing Chen <i>Bocconi University</i>	Olga Hawn <i>University of North Carolina at Chapel Hill</i>	Dan Li <i>Indiana University</i>	Evis Sinani <i>Copenhagen Business School</i>	Jisun Yu <i>Concordia University</i>
Zheng Cheng <i>University of Kansas</i>	Chong He <i>Chinese University of Hong Kong</i>	Carol Yehyun Lin <i>National Chengchi University</i>	Eunhee Sohn <i>Georgia Institute of Technology</i>	Miles Zachary <i>West Virginia University</i>
Asda Chintakananda <i>National Institute of Development Administration</i>	Wenlong He <i>Peking University</i>	Daomi Lin <i>Sun Yat-sen University</i>	Christian Stadler <i>University of Warwick</i>	Yu Zhang <i>China Europe International Business School</i>
Daniel Han Ming Chng <i>China Europe International Business School</i>	Hans Hendrichske <i>University of Sydney</i>	Johan Lindeque <i>University of Applied Sciences and Arts Northwestern Switzerland</i>	Tim Swift <i>St. Joseph's University</i>	Lin Zhang <i>Peking University</i>
Donal Crilly <i>London Business School</i>	Bersant Hobdari <i>Copenhagen Business School</i>	Wang Linlin <i>City University of Hong Kong</i>	Stephen B Tallman <i>University of Richmond</i>	Bo Zhao <i>University of Hong Kong</i>
Alvaro Cuervo-Cazurra <i>Northeastern University</i>	Guy Holburn <i>University of Western Ontario</i>	Randi Lunnan <i>BI Norwegian Business School</i>	Danchi Tan <i>National Chengchi University</i>	Weiguo Zhong <i>Peking University</i>
Lin Cui <i>Australian National University</i>	Jacky Hong <i>University of Macau</i>	Rong Ma <i>Rutgers University Camden</i>	Yinuo Tang <i>University of Hong Kong</i>	
Ilya Cuypers <i>Singapore Management University</i>	Jasper Hotho <i>Copenhagen Business School</i>	Catherine Magelssen <i>London Business School</i>	Pete Tashman <i>Portland State University</i>	
Izzet Sidki Darendeli <i>California State University, East Bay</i>	Helen Wei Hu <i>University of Melbourne</i>	Valentina Marano <i>Northeastern University</i>	Sverre Tomassen <i>BI Norwegian Business School</i>	
Julio de Castro <i>IE Business School</i>	Yanfei Hu <i>Western University</i>	Byungjun Min <i>Seoul National University</i>	Chung-Lin Tsai <i>University of Cambridge</i>	
Juan Delgado García <i>University of Burgos</i>	Charlotte Jacobs <i>Getulio Vargas Foundation</i>	Michael Mol <i>Copenhagen Business School</i>	Daniel Tzabbar <i>Drexel University</i>	
Bart Devoldere <i>Vlerick Business School</i>	S.Hossein Jalali <i>University of Tehran</i>	Jungbien Moon <i>Korea University</i>	C. Anniqun Un <i>Northeastern University</i>	
			Richard Vanden Bergh <i>University of Vermont</i>	





2016 SPECIAL CONFERENCE HONG KONG BEST PAPER PRIZE FINALISTS

SUNDAY | SESSION 349 | 8:15-9:30

Organizational Response in Recurring Economic Shocks: The Confounding Role of Sensemaking and Interpretation

Abhirup Chakrabarti, *Queen's University*
Kulwant Singh, *National University of Singapore*

SUNDAY | SESSION 339 | 16:45-18:00

When the Boss is Not Always the Boss: Hierarchical Inconsistency and Organizational Misconduct

Yidi Guo, *INSEAD*
Xiaowei Luo, *INSEAD*

SUNDAY | SESSION 384 | 16:45-18:00

Besides Innovation: the Effect Size and Environmental Contingency of Technological Arbitrage Opportunities on Entrepreneur Activities

Jiamin Zhang, *Tsinghua University*

MONDAY | SESSION 353 | 8:15 – 9:30

Status, Tenure, and Adoption of Norm-Deviant Practices in Relational Markets

Alex Makarevich, *ESADE Business School*
Jesper Edman, *Hitotsubashi University*

MONDAY | SESSION 331 | 8:15-9:30

How Different Are Emerging Market Multinationals? A Comparative Study of Cross-border M&As and Integration Strategies

Lisa Tang, *University of Pennsylvania*
Minyuan Zhao, *University of Pennsylvania*

MONDAY | SESSION 342 | 11:15-12:30

Is Blood Thicker than Water? Sibling Rivalry and Strategic Change in Family Business Groups

Seok Jin Ko, *Seoul National University*
Sun Hyun Park, *Seoul National University*

MONDAY | SESSION 330 | 14:00-15:15

How Rival Partners Compete on International Market Based on Cooperation

Meng-Hsien Yen, *National Chengchi University*
Tzu-Ju Ann Peng, *National Chengchi University*
Mike Bourne, *Cranfield University*

MONDAY | SESSION 373 | 14:00- 15:15

Fools Rush In? Entry into Platform-based Markets Following Acquisition Signals

Yongzhi Wang, *University of Southern California*

MONDAY | SESSION 336 | 15:30-16:45

A Tall Tree Catches the Wind: Legitimacy Risk and Repair by Walmart China

Lai-Si Tsui-Auch, *Nanyang Technological University*
Xiaoxiao Liu, *Xiamen University*
Xueli Wang, *Tsinghua University*
Junjie Yang, *Nankai University*

CONFERENCE AT A GLANCE

SATURDAY, DECEMBER 10, 2016

- 11:00 — 15:30 Doctoral and Junior Faculty Workshop (invitation only)
- 15:45 — 17:30 Meet the Editors Panel Session (Open to All Conference Attendees)
- 18:00 — 19:30 Conference Welcome Reception

SUNDAY, DECEMBER 11, 2016

- 08:15 — 09:30 Parallel Sessions I: Paper/ Developmental/ Panel
- 09:45 — 10:50 Conference Welcome and Plenary Session A: Innovations in Emerging Asia
- 10:50 — 11:15 Morning Tea Break
- 11:15 — 12:30 Parallel Sessions II: Paper/ Developmental/ Panel
- 12:30 — 13:30 Luncheon
- 13:45 — 15:00 Parallel Sessions III: Paper/ Developmental/ Panel
- 15:15 — 16:15 Plenary Session B: Institutions
- 16:15 — 16:45 Afternoon Tea Break
- 16:45 — 18:00 Parallel Sessions IV: Paper/ Developmental/ Panel
- 19:00 — 22:00 Sunday Night Gala Dinner

MONDAY, DECEMBER 12, 2016

- 08:15 — 09:30 Parallel Sessions V: Paper/ Developmental/ Panel
- 09:45 — 10:45 Plenary Session C: Internationalization
- 10:45 — 11:15 Morning Tea Break
- 11:15 — 12:30 Parallel Sessions VI: Paper/ Developmental/ Panel
- 12:30 — 13:45 Luncheon
- 14:00 — 15:15 Parallel Sessions VII: Paper/ Developmental/ Panel
- 15:30 — 16:45 Parallel Sessions VIII: Paper/ Developmental/ Panel
- 16:45 — 17:45 Conference Closing Reception

SESSION 397

MEET THE EDITORS

TRACK Y	Date	Saturday, Dec 10
	Time	15:45 - 17:30
Plenary Panel	Room	Lecture Theatre 1

Meet the Editors

Session Leader

Jiatao Li, *Hong Kong University of Science and Technology*

Panelists

Sharon Alvarez, *University of Denver*

Jonathan Doh, *Villanova University*

Alfonso Gambardella, *Bocconi University*

Arie Lewin, *Duke University*

Yadong Luo, *University of Miami*

Stephen B Tallman, *University of Richmond*

The panel will feature a representative editor for each of the SMS journals, SMJ, SEJ, GSJ, as well as other international journals such as JIBS, JWB, and MOR. The panel will discuss the specific goals and objectives of each of the journals. They will each express their views on what makes a great scholarly contribution, and delineate the main qualities of papers that get accepted in their journals. They will also take questions directly from the audience.



JIATAO (JT) LI is Lee Quo Wei Professor of Business, Head and Chair Professor of Management, and the Senior Associate Dean of the HKUST Business School, Hong Kong University of Science and Technology. His current research interests are in the areas of organizational learning, strategic alliances, corporate governance, innovation, and entrepreneurship, with a focus on issues related to global firms and those from emerging economies. JT Li has been serving as an Associate Editor for the *Strategic Management Journal* since 2009 and serves on the editorial boards of several other leading publications.



SHARON ALVAREZ is the Walter Koch Endowed Chair in Entrepreneurship at the Daniels College of Business, University of Denver. She was a Max Planck Scholar at the Max Planck Institute for Entrepreneurship and Economic Systems Research, a visiting professor at Sun Yet-sen University in China, and is currently a visiting professor at University of Alberta. Her current research includes entrepreneurship theory of opportunities, firm, and market emergence. Sharon Alvarez is an Associate Editor for *Strategic Entrepreneurship Journal* and she has published in leading journals.



JONATHAN DOH is the Rammrath Chair in International Business, founding Faculty Director of the Center for Global Leadership, and Professor of Management at the Villanova School of Business. His articles have appeared in leading journals and he is co-editor and/or co-author of nine books. He has been ranked among the top 12 international business scholars in the world, serves as Editor-in-Chief of the *Journal on World Business*, and is an elected fellow of the Academy of International Business. Jonathan received his Ph.D. from George Washington University in strategic and international management.



ALFONSO GAMBARDELLA is Professor of Corporate Management at the Università Bocconi, Milan. He obtained his PhD in 1991 from the Department of Economics of Stanford University. His research focuses on technology strategy. Along with publications in leading international journals, his book, *Markets for Technology* (with Ashish Arora and Andrea Fosfuri, MIT Press) is widely cited. He is Co-Editor of *Strategic Management Journal*.



ARIE Y. LEWIN is Professor Emeritus, strategy and international business at Duke University, Fuqua School of Business. He has served as Distinguished Visiting Professor at Tsinghua University School of Economics and Management, University of International Business and Economics, Shanghai Jiao Tong University, and Fudan University. He is Editor in Chief of *Management and Organization Review* (MOR). His book "China Innovation Challenge" Co-edited with Martin Kenney and Peter Murmann (Cambridge University Press April 2016) emerged from Inaugural MOR Research Frontiers Conference (December 2014) hosted by HKUST Business School.



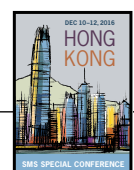
YADONG LUO is the Emery M. Findley Distinguished Chair and Professor of Management at University of Miami. His research interests include global strategy, international management, and emerging market business and management. He has published over 160 articles in major refereed journals in management, including AMJ, ASQ, AMR, SMJ, JIBS, JAP, Org. Science, among others. He also authored more than a dozen books and about a hundred other publications. He is an AIB fellow, editor of several IB and management journals, and advisory board member of several universities in China.



STEPHEN TALLMAN is the E. Claiborne Robins Distinguished Professor of Business at the University of Richmond. He became an Associate Editor of SMJ in 2007 and is currently co-editor of *Global Strategy Journal*. He has authored or edited three books relating to international strategy, and has published numerous book chapters and journal articles in a variety of outlets including AMR, AMJ, SMJ, JMS, CMR, MIR, JIM, and JIBS. His research interests include global outsourcing, international diversification, industry clusters, knowledge transfer in multinational firms, and international alliances and joint ventures.

18:00 – 19:30

WELCOME RECEPTION



SESSION 345

QUALITATIVE STUDIES OF ORGANIZATIONS AND GOVERNANCE

TRACK A	Date	Sunday, Dec 11
	Time	08:15 - 09:30
Developmental	Room	Room 211

Session Chair: Robert Hoskisson, *Rice University*

Choices, Changes and Combinations of Operation Modes When Operating in China

Rolv Petter Amdam, *BI Norwegian Business School*

This paper is inspired by two trends within research on entry and operation modes, the stream of literature using institutional theory and research showing that operation modes are not static but change over time and that different operation modes are often combined. In the paper, we explore the dialectic relationship between the institutional impact and strategic planning when deciding on changes and combinations of operation modes over time. The papers' institutional framework is taken from evolutionary economic literature on global production networks and how these institutions select or reject foreign firms that invest in a region.

Agile Universities - Transforming the Future of Teaching and Learning

Christiane Prange, *Tongji University*

Song Chen, *Tongji University*

Universities, nationally and internationally, are supposed to be a source of efficient knowledge management and learning. Consequently, experts have required universities to transform and to become an integral part of the network-centric reality of the 21st century, focusing on self-organized and responsible learning. "Agility", both as a concept and a methodology, can meet this request. This article traces the origin of agility back to its historical roots, and discusses a transfer of both agile methods and contents to today's universities, and to the way learning could be organized around agile teams. Based on interviews with managers from higher education (chancellors, vice-chancellors, deans, and associated deans) and case studies, a three-stage framework for transforming universities into agile organizations and implications for teaching and learning are discussed.

Strategy for Changing Institution in Transition Field: The Case of Chinese Artificial Intelligence Industry

LinBo Sun, *National Tsing Hua University*

This paper analyzes the micro processes by which actors facing macro-institutional structures changed in order to create new legitimacy by reaching beyond the limitations of their immediate industry system in transition. We draw on the concept of institutional strategy, creation of a new institutional practice to address the issue of institutional change and innovation. We develop an analytical narrative to examine the empirical context of the Chinese artificial intelligence voice industry between 2006 to 2015. In this article I describe how three different strategic action types namely (1) framing, (2) embracing, and (3) opening, determine the course of the legitimation. We believe this study should have important implications for research on strategy practice and institutional strategy.

Strategy, Environment, Resources and Institutional Context as Determinants of Firm Performance in Emerging Markets

Ulf Bosch, *PricewaterhouseCoopers*

This research examines the convergence of strategic choice, institutionalism and firm-institutional interaction in emerging markets. It utilizes typology-driven theorizing based Miles and Snow's (1978) strategic typology informed by Oliver's (1991) strategic response to institutional processes supplemented by Child et al.'s (2012) notion of co-evolution.

The Virtuous Cycle: Using Strategy, Resources and Tactics to Create Successful Business Models

Ralf Wilhelms, *Lake Superior State University*

Shengxiao Li, *Shaoxing University*

This study seeks to identify and explore the relationship between business models and strategic plans. Prior studies provide a framing logic that is supported by case investigation to explore the links between strategy and the business model through the identification of patterns. The cases demonstrate how the connection between resources and tactics interact with strategy to create a virtuous cycle. Findings show that it is the virtuous cycle and the interaction between the factors which create new and innovate existing business models.

SESSION 349

INSTITUTIONS, INSTITUTIONAL CHANGE, AND STRATEGY

TRACK A	Date	Sunday, Dec 11
	Time	08:15 - 09:30
Paper	Room	Lecture Theatre 4

Session Chair: Ziliang Deng, *Renmin University of China*

★ Organizational Response in Recurring Economic Shocks: The Confounding Role of Sensemaking and Interpretation

Abhirup Chakrabarti, *Queen's University*

Kulwant Singh, *National University of Singapore*

Firms sometimes adopt strategies that worsen the impact of a sudden economic shock, but studies are not able to explain why. We explore this puzzle considering that economic shocks recur and that under such conditions firms can relate to their experience in prior shocks. We argue that firms will interpret two dimensions of their prior shock experience: the circumstance in which prior decisions were made and the outcome of these decisions. Using a sample of 603 Asian firms that survived three economic shocks, we find that such interpretations were more influential in determining firms' focal responses than was the more immediate concern of decline. Our findings have important implications for organizational decision making under uncertainty in the context of emerging markets.

Political Connections and Outward Foreign Direct Investment: A Political Pecking Order Perspective

Ziliang Deng, *Renmin University of China*

Jiayan Yan, *Renmin University of China*

The recent literature has increasingly explored the role of home market institutional factors in the outward foreign direct investment (OFDI) of emerging market firms. A fundamental dimension of the institutional factors, however, has been largely neglected, namely the political pecking order. It refers to the preference of state policy for state-owned enterprises (SOEs), followed by private firms with political connections, and then private firms without political connections. To address this research gap, we encapsulate these three types of firms into an integrative research framework. Empirical results based on 482 Chinese listed firms during 2003-2013 suggest the causality from political pecking order to OFDI behavior. Our study extends the literature on political connections and OFDI of emerging market firms.

When Institutions Collide: Hong Kong's Contentious Path Towards Board Independence

Shelby Gai, *Northwestern University*

A recent stream in political science pioneered by Helmke and Levitsky has introduced a new conceptualization of institutions as either formal or informal depending on whether the rules that structure behavior are written or unwritten. Adopting their framework for the management literature and using Hong Kong's corporate governance development as an example, I trace the relationship between the formal institution of corporate governance and the informal institution of Hong Kong society. I examine three stages of corporate governance development –taking place in 1993, 2002, and 2011 – and use archival data to highlight the changing interactions between the two institutions. The paper underscores how Hong Kong's efforts to promote board independence has confronted numerous challenges, but may finally reap the recognition it rightly deserves.

Whether and How CEO/Chairperson Duality Helps CEOs Avoid Dismissal? Evidence from Board Attribution Decisions

Yameng Zhang, *University of Glasgow*

Based on two competing agency perspectives and attribution theory, the study unpacks the CEO duality-CEO dismissal relationship to investigate whether and how CEOs in dual roles may employ impression management to defend their positions through distorting boards' attributions in an emerging economy. Results from an analysis of 304 high-tech Chinese listed firms suggest CEO duality is indeed associated with potential agency problems in weak institutional environment. Specifically, CEOs with dual roles may lead boards to accept their internal justifications, thereby decreasing the likelihood of dismissal, but they do not conceal their responsibility by using external excuses. Instead, they prefer to convince boards of their ability to control the current situation and thus avoid dismissal.

SESSION 352

INSTITUTIONS, CSR, AND SUSTAINABILITY

TRACK B	Date	Sunday, Dec 11
	Time	08:15 - 09:30
Paper	Room	Lecture Theatre 6

Session Chair: Doren Chadee, *Deakin University*

Institutional Pressures on the Environmental Citizenship of Firms: A Developing Country Perspective

Hernan Roxas, *Deakin University*

Doren Chadee, *Deakin University*

This study has two main objectives. Firstly, we draw on the natural resource-based view of the firm in order to develop an organisational-level construct called environmental citizenship and how it impacts on the performance of firms in the tourism industry in a developing country, the Philippines. Secondly, we draw on institutional theory to tease out the more nuanced effects of the institutional pressures from the government, industry and community on the formation of environmental citizenship of firms. We test our hypotheses using a sample of 131 tourism firms in order to highlight the institutional embeddedness of firms in the tourism industry and the need to nurture a firm's environmental citizenship as a strategic stance towards sustainability amidst institutional challenges.

Is Firm-Specific Knowledge Always Beneficial? The Interaction between Firm-Specific Knowledge, CSR and CPA in China

Ruchunyi Fu, *City University of Hong Kong*

While the benefit of firm-specific knowledge has been widely documented, the boundary condition for this privilege is less explored. By highlighting that firm-specific knowledge both precludes competitors from value appropriation and deviates firm action from others, we suggest the utilization of firm-specific knowledge is a double-edge strategy. Furthermore, the social performance and political connections of focal

firm act differently in moderating the inverted U-shape relationship between firm-specific knowledge and market value: the former reduces the uncertainty concerns raised by firm-specific knowledge whereas the latter facilitates the appropriation of firm-specific knowledge. The research question is discussed in the context of Chinese market where the influence of firm-specific knowledge will be more salient.

Prosocial Outcomes of Non-market Strategies for Multinational Companies in China

Juelin Yin, *Xi'an Jiaotong-Liverpool University*

Oana Branzei, *University of Western Ontario*

Effective nonmarket strategy is vital to the survival and advantage of multinational companies (MNCs), yet little knowledge has been developed about the mediating mechanisms linking nonmarket and market strategies. We argue that cross-sector partnerships as an effective nonmarket strategy can help MNCs subsidiaries mitigate the liability of foreignness and privateness in the host markets. Based on multiple case studies of 13 MNCs actively involved in corporate social responsibility in China, we induce a process model revealing the social pathways through which cross-sector collaborations pave the way to anticipatory and proactive strategies and show that context modifications are often carefully orchestrated accomplishments that involve cross-sector actors in elaborating what care means and how it can be delivered for MNCs in the host markets.

CSR Choices of MNE Subsidiaries in Emerging Markets an Agency and Institutional Perspective

Huiying Luo, *Zhejiang University*

Aiqi Wu, *Zhejiang University*

With the advent of globalization, numerous multinational enterprises (MNEs) have extended subsidiaries into emerging markets with CSR strategies to acquire legitimacy. Using the novel combination of agency theory and institutional perspective, we tried to illustrate the complex relationship between the internal & external isomorphism pressure and agency problems between HQ and subsidiaries in CSR strategy making process. In this study, we built a model of how top management team (TMT) influences the subsidiary's adoption of local CSR strategy or global CSR strategy in the context of emerging market by China's sample data. We regarded TMT discretion, TMT turnover, TMT commitment as three vital factors of TMT which influence the CSR strategy.

SESSION 390

EMERGING MARKET STRATEGIES

TRACK C	Date	Sunday, Dec 11
	Time	08:15 - 09:30
Paper	Room	Lecture Theatre 7

Session Chair: Jay Barney, *University of Utah*

Can Government Help Firms Innovate in Emerging Countries

Tianyu Gong, *Hong Kong University of Science and Technology*

Bilian Sullivan, *Hong Kong University of Science and Technology*

This study tries to explain mixed findings between government policy and firm's innovation performance from attention perspective. It predicts an inverted-U relationship between them because number of government policies competed for firm's attention resources. As firm's attention resources on government policies is exhausted, the positive effect of government policy on firm's innovation may turn to negative. But marketization, the degree to which the market supports economic activities, may attenuate such effect.



Should I Stay or Should I Go? The Cognition of Exploration and Exploitation across Cultures

Sheen S Levine, *University of Texas at Dallas*

Charlotte Reypens, *University of Antwerp*

In many managerial situations, decision-makers face the tension between repeating past actions in expectation of familiar outcomes (exploitation) and choosing novel actions with uncertain outcomes (exploration). Such decisions are central to strategy and innovation and have been studied extensively, mostly by modelling in agent-based simulations or examining statistical relationships in archival or survey data. We add evidence from experiments across cultures, providing unique causal evidence. We find that exploration is boosted by three past experiences: When decision-makers fall below top performance; undergo performance stability; or suffer low overall performance. In contrast, individual-level variables, including risk and ambiguity preferences, are poor predictors of exploration. The results provide insights into how decisions are made, substantiating the micro-foundations of strategy and assisting in balancing exploration with exploitation.

The Origins of Public Policy on Entrepreneurship in China

Yifan Wei, *University of Illinois at Urbana-Champaign*

Huseyin Leblebici, *University of Illinois at Urbana-Champaign*

Our study seeks to answer the following questions: where do public policies on entrepreneurship, the key for nurturing entrepreneurship in emerging economies, come from? How are they produced? We propose public policy on entrepreneurship is a function of interactions among policy-making regime, production regime and knowledge regime. We also apply the theoretical framework into the Chinese context to investigate the historical evolution of public policies on entrepreneurship in China. It is initially found the development of public policies on entrepreneurship in China can be divided into three stages and showed a trend of increasing favorability towards entrepreneurship.

To Be Legitimate and Illegitimate at the Same Time: The Case of the Cuban Paladares

Sharon Alvarez, *University of Denver*

Jay Barney, *University of Utah*

In September of 1993, the Cuban national assembly authorized limited self-employment in the food services. Within three months, between 1,000 and 2,000 private restaurants—called paladares—had been created in Havana. In December of 1993, the government reacted to this unanticipated growth by ordering the closure of these restaurants—although 200 refused to shut down and continued to operate. Were these paladares legitimate or illegitimate business activities? The emergence of business activities like Cuba's paladares suggest that legitimacy may, in fact, be a multi-dimensional concept—that these kinds of enterprises may be legitimate along some dimensions and illegitimate along others (Suchman, 1995).

SESSION 371

RESOURCES AND INNOVATION

TRACK D	Date	Sunday, Dec 11
	Time	08:15 - 09:30
Paper	Room	Room 201

Session Chair: Xuesong Geng, *Singapore Management University*

Innovation-Enhancing Strategy for Firms with Assets Hard to Value

Hongjen Chiu, *National Taiwan University*

Misvaluation of the "hard-to-value" (HTV) firm raises concerns about negative consequences of intrafirm misbehavior, such as managerial entrenchment with self interest. Whether or not the acquisition propensity and anti-takeover defense of such a firm are driven by myopic misconduct remained unexplored. To address this issue, this paper proposes a dual strategy that aims at reconciling the incentive-incompatibility problem jointly influenced by misvaluation and misbehavior. Our results show that

overvaluation leads to higher propensity to acquire for all firms, and help improved operating efficiency in well-governed firms. Finally, the HTV firm's Tobin's Q is affected by its innovativeness, which is supposed to be protected by its anti-takeover provisions.

Specific Investment and the Performance of R&D Collaboration: A Coopetition Perspective

Zhongfeng Su, *Xi'an Jiaotong University*

This study examines the impact of specific investment on the performance of R&D collaboration. It finds that total specific investment and specific investment asymmetry affect the performance of R&D collaboration. And, cooperative and competitive behaviors are the conduits by which specific investment works. This study illustrates how specific investment impacts the performance of R&D collaboration and enriches the discipline's knowledge on the determinants of the performance of R&D collaboration. In addition, it responds to the calling for investigating the antecedents and consequences of cooperative and competitive behaviors in a collaboration.

Managerial Unlearning and Resource Base Changes in Dynamic Environments: Modification of Beliefs and Routines

Veeresh Srivastava, *Rennes School of Business*

Seong-Young Kim, *ESC Rennes School of Business*

Unlearning is a unique but relatively unexplored concept which assumes importance in contemporary times of rapid change. The extant literature, however, does not delve into the implications of individual managerial unlearning at strategic apex of organizations, which can reflect in modification of managerial beliefs and routines causing changes in the resource bases of the organizations concerned. This paper examines this link with a view to form a perspective of unlearning where it matters the most and could affect the strategic successes or failures due to modified resource bases leading to novel, different and unique outcomes. Keywords: unlearning, managerial beliefs, organizational routines, organizational resources, resource based view

The Impact of Modularity on Firm Performance: Evidence from the Semiconductor Industry

Jaykumar Padmanabhan, *Indian Institute of Management Bangalore*

New technology based firms have been investing heavily in the creation of modular architectures and products with the objective of being able to create new product varieties quickly. Hence, modularity has attracted research interest in high technology markets such as Asia where the rapid pace of change creates uncertainty. In this paper, we study the relationship between modular architectures and the performance of firms. Our findings from a survey data of 116 firms in the semiconductor industry show a dip in firm performance in the short term with increase in modularity but an inverted U-shaped relationship for long term performance with modularity. The implications for innovation are that making product architectures highly modular alone may not be the answer to performance gains.

SESSION 326

NEW ISSUES ON CROSS-BORDER ACQUISITIONS INVOLVING EMERGING ECONOMIES

TRACK E	Date	Sunday, Dec 11
	Time	08:15 - 09:30
Paper	Room	Lecture Theatre 5

Session Chair: Natasha Black, *Eastern Washington University*

A Seasonable Courtship: Impact of Institutional Voids and Institutional Distance on Mergers and Acquisitions

Natasha Black, *Eastern Washington University*

Abraham Soleimani, *Eastern Washington University*

The aim of this study is to examine how firms adjust their strategies depending on the context in which they operate. We investigate the impact of institutional voids and institutional distance on the length of courtship stage of mergers and acquisitions (M&As). We used a sample of 9,338 M&A attempts by acquirers from 45 economies that targeted firms in 17 economies in East and Southeast Asia between 2003 and 2009. We found that the courtship stage of M&As is longer in economies with different types of institutional voids. Also, when acquiring targets in economies with institutional voids, acquirers from more distant institutions complete the courtship stage of M&As faster than acquirers from economies with more similar institutions to those of the target country.

Do Origins of Acquirers Matter for Investors in Developed Countries? From the Seller's Perspective

Rong Zeng, *University of Calgary*

Increasingly emerging market multinationals (EMMs) and state-owned multinationals use cross-border merges and acquisitions (M&As) to enter developed markets. Stock markets tend to react positively to these acquirers as they bootstrap themselves in a more advanced environment. However, response of target firm's shareholders to these cross-border M&As by multinationals of different origins is unclear. Based on internalization theory, resource dependence theory and the bargaining power concept in value appropriation, this study proposes that cross-border M&As by EMMs, especially by state-owned EMMs, should grant target firms in developed countries more appropriated value. By adopting the seller's perspective in an under-researched context, the results from this study will provide more insights into sources of firm-specific advantages for EMMs and state-owned multinationals.

In Leadership We Trust: Religious Homophily and Cross-Border Acquisitions in Emerging Economies

Diana Kwok, *Aix-Marseille University*

Pierre-Xavier Meschi, *Aix-Marseille University*

Trust is critical for cross-border acquisition success. This paper extends cross-border acquisition scholarship by examining how intra-national cultural diversity influences the development of trust by target firm personnel in the acquirer's top management team. We argue that religious homophily (similarity) facilitates trust development by target firm personnel, especially, during the early stages of post-acquisition integration when jobs and responsibilities are threatened. The acquirer's CEO serves to personify its top management team in this study. Furthermore, we explore the moderating effects of acquirer country-of-origin, level of post-acquisition integration, and prior alliance success (between the target firm and acquirer) on the religious homophily—trust relationship. Our hypotheses are tested using hierarchical linear modelling of data from Muslim, Christian, Buddhist and Hindu personnel in Malaysia, an emerging economy.

Investor Response to Acquisitions of Developed Market Targets by Emerging Market Acquirers

Matthias Brauer, *University of Mannheim*

This study intends to address the paucity of research on investor response to cross-border M&A undertaken by emerging market acquirers. While general M&A research has found that, on average, short-term returns for developed market acquirers are negative, this study argues and finds that investors respond positively to acquisitions of developed market targets by emerging market acquirers. Positive returns are further found to be amplified by favorable institutional characteristics of the targets' institutional environment. In line with the presumption that emerging market acquirers primarily seek technology and knowledge advantages through acquisitions of developed market targets, we find that technological sophistication, the quality of the labor pool, as well as product market and labor market efficiencies in targets' institutional setting lead to pronounced positive investor response.

SESSION 399

BUSINESS MODEL INNOVATION (BMI) IN THE DIGITAL ECONOMY

TRACK P	Date	Sunday, Dec 11
	Time	08:15 - 09:30
Invited Panel	Room	Lecture Theatre 8

Business Model Innovation (BMI) in the Digital Economy

Session Chair

Raffi Amit, *University of Pennsylvania*

Panelists

Jian Ma, *City University of Hong Kong*

Wei Wei, *Peking University*

Changqi Wu, *Peking University*

Wuxiang Zhu, *Tsinghua University*

The rapidly increasing trend of digitizing businesses has reshaped the ways in which firms do business. It enables entrepreneurs and managers alike to create novel business models which effectively utilize competencies of a broad range of partners. These trends have led to the rise of the "born-on-the-cloud" innovators (e.g., Uber, Airbnb) and the sharing economy. As well, the power of individual customers has been elevated as a result of the proliferation of product and service information from digitally enabled platforms (e.g., Groupon, Alibaba) and social interaction (e.g., Facebook, WeChat, Twitter), which enable fast and free information exchanges, transparency, and collective bargaining by customers. Further, the potential of individual customers as contributors to value creation (e.g., data) has been unlocked by digitally enabled devices (e.g., mobile phones, wearables) and technologies (e.g., big data analytics, image recognition, machine learning, and artificial intelligence). Panelists will explore the implications of these trends and related issues, such as design processes of BMI, antecedents of designing innovative business models, on theory and practice.



SESSION 391

INNOVATIONS IN EMERGING ASIA

TRACK Y	Date	Sunday, Dec 11
	Time	09:45 - 10:50
Plenary Panel	Room	Lecture Theatre 1

Innovations in Emerging Asia

Session Leader

Kevin Zhou, *University of Hong Kong*

Panelists

Jay Barney, *University of Utah*

Alfonso Gambardella, *Bocconi University*

Yadong Luo, *University of Miami*

The rapid institutional transformation in Asia has provided tremendous challenges and opportunities for innovation. In this session, the three panelists will discuss the implications of the cultural, historical, and institutional differences between Asia and the West for strategic management theory development, explain two important trends (i.e., open innovation with a crowd of contributors and emergent approach of business experimentation), and introduce an integrated view of composition and innovation (i.e., comnovation) that explicate how Asian firms compete with more powerful rivals successfully.

PROGRAM CHAIRS



JIATAO (JT) LI is Lee Quo Wei Professor of Business, Head and Chair Professor of Management, and the Senior Associate Dean of the HKUST Business School, Hong Kong University of Science and Technology. His current research interests are in the areas of organizational learning, strategic alliances, corporate governance, innovation, and entrepreneurship, with a focus on issues related to global firms and those from emerging economies. JT Li has been serving as

an Associate Editor for the *Strategic Management Journal* since 2009 and serves on the editorial boards of several other leading publications.



GONGMING QIAN is former Chair of the Department of Management at The Chinese University of Hong Kong. He received his Ph.D. in International Business/Management from Lancaster University, England. His research interests include the financial economics of multinational enterprises and foreign direct investment, international strategy, and entrepreneurship. He has been published widely in peer reviewed academic journals including

Entrepreneurship Theory and Practice, *Journal of Business Venturing*, *Journal of International Business Studies*, and *Strategic Management Journal*. He is co-editing a *Journal of International Business Studies* special issue and a *Journal of Management Studies* special issue to be published in 2017 and 2018, respectively. He serves on the editorial board of *Journal of International Business Studies*.



KEVIN ZHOU is Chang-Jiang Scholar Chair Professor, Professor of Strategy/International Business at the University of Hong Kong. His research interests include strategic orientation and product innovation, trust and relational ties, and strategic issues in international business and emerging economies. He currently serves as the senior editor of *Asia Pacific Journal of Management*, editorial board member of *Strategic Management Journal*, *Journal of International Business Studies* and *Journal of the Academy of Marketing Science*, as well as the Panel Member of Business Studies Panel, HK Research Grants Council.

PANELISTS



JAY B. BARNEY is a Presidential Professor of Strategic Management and Pierre Lasonde Chair of Social Entrepreneurship at the University of Utah. His research focuses on how firms can gain and sustain competitive advantages. He has been an associate editor for the *Journal of Management*, a senior editor for *Organization Science*, a co-editor at the *Strategic Entrepreneurship Journal*, and has been published in numerous leading publications. In addition to his

teaching and research, he presents executive training programs throughout the US and Europe.



ALFONSO GAMBARDELLA is Professor of Corporate Management at the Università Bocconi, Milan. He obtained his PhD in 1991 from the Department of Economics of Stanford University. His research focuses on technology strategy. Along with publications in leading international journals, his book, *Markets for Technology* (with Ashish Arora and Andrea Fosfuri, MIT Press) is widely cited. He is Co-Editor of *Strategic Management Journal*.



YADONG LUO is the Emery M. Findley Distinguished Chair and Professor of Management at University of Miami. His research interests include global strategy, international management, and emerging market business and management. He has published over 160 articles in major refereed journals in management, including *AMJ*, *ASQ*, *AMR*, *SMJ*, *JIBS*, *JAP*, *Org. Science*, among others. He also authored more than a dozen books and about a hundred other publications. He is an AIB fellow, editor of several IB and management

journals, and advisory board member of several universities in China.

10:50 – 11:15
MORNING TEA BREAK

SESSION 341

DECISION-MAKING PROCESSES

TRACK A	Date	Sunday, Dec 11
	Time	11:15 - 12:30
Paper	Room	Room 201

Session Chair: Shameen Prashantham, *China Europe International Business School*

Attracting High Performers to Non-Traditional Institutions: Comparing the Performance of Wikipedia Collectives

Helge Klapper, *University of Vienna*
Markus Reitzig, *University of Vienna*

Studying how firms innovate around their organizational models is crucial to strategy scholars. To shed more light on the determinants of what enables organizations to pick successful novel solutions to design problems, we investigate how a series of Wikipedia sub-collectives compare in terms of achieving their objectives through task design and exception management, and which types of contributors would appear to make a difference to the performance of a Wikiproject. Comparing the performance (external recognition) of 9,356 Wikipedia pages to one another, and explaining performance as a function of project scope, authoritative intervention by administrators, and contributor characteristics, we find that group homogeneity and effective coordination through administrators are critical for page success.

How is Strategic Consensus Formed? The Effects of Task-Relevant Information Elaboration and Team Identification

Yi Liu, *Xi'an Jiaotong University*
Yaqun Yi, *Xi'an Jiaotong University*

Strategic consensus is the outcomes of team process. Based on information processing theory and social categorization perspective, the proposal predicts that the elaboration of task-relevant information has a negative effect on strategic consensus while team identification has an opposite direction. Environmental dynamism will weaken elaboration-consensus relationship, but strengthen identification-consensus relationship. Also, it concludes that strategic consensus has an inverted U-shaped effects on firm performance. The proposal reveals the formation mechanism of strategic consensus that prior literature ignore and finds a inverted U-shaped consensus-performance relationship, which is significant to theoretical and practical research.

How the Contextual Variables Influence Intertemporal Choice in Strategic Decision-Making

Ge Liu, *University of Edinburgh*
Simon Harris, *University of Edinburgh*

The study explores the role of contextual factors in the strategic decision-making process. Being positioned at the intersection of strategy, behaviour and finance path, it assumes that the intertemporal choice is related to the three contextual dimensions (1) decision specific characteristics (2) individual (3) organisation. This proposal develops a strategic decision-making framework based on a comprehensive set of strategic factors derived from an in-depth literature review. Driven by the nature of the research questions, a multiple case study will be used. The research setting in the emerging market highlights the distinctive intertemporal preference on strategic decision-making practices.

Paradoxical Cognition and Strategic Decision Making Process: An Empirical Study in China

Mariya Eranova, *University of Greenwich*
Shameen Prashantham, *China Europe International Business School*

While recent research has provided valuable insight into how paradox ensures dynamic decision making, the positive effect of paradoxical cognition on decision quality has not been empirically tested; furthermore, the joint effect of paradoxical cognition with relevant behavioral characteristics from the SDMP literature such as (a priori) strategic flexibility and comprehensiveness

on decision quality is underresearched. We addressed these lacunae using survey data from 110 CEOs in China, an intriguing setting for studying paradox due to its ancient philosophy of Yin Yang. We found the effect of paradoxical cognition on decision quality to be positive and significant. Furthermore, the moderating effects indicate that it is a complement to comprehensiveness, but is a substitute to strategic flexibility.

SESSION 346

MERGERS AND ACQUISITIONS

TRACK A	Date	Sunday, Dec 11
	Time	11:15 - 12:30
Paper	Room	Lecture Theatre 5

Session Chair: Jeffrey Reuer, *University of Colorado, Boulder*

Proactive vs. Reactive Strategic Actions to Environmental Changes

Jay Lee, *California State University, Sacramento*

I investigate how firms change (Venkatraman & Prescott, 1990) their strategic actions in response to deregulatory and technological changes. Strategic actions such as mergers and acquisitions have been frequently observed and reported in the media. This study further analyzes an interesting nature of firms' willingness to take strategic actions in response to the key environmental changes. Environmental changes, broadly defined as deregulatory and technological changes in the marketplace, trigger firms to take on strategic actions both proactively and reactively.

The Analysis of the Stakeholders' Influence on Acquisition Premium and Deal Completion Probability

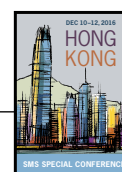
JaSeung Koo, *Kobe International University*

There is extensive management literature on stakeholders' influence on corporate business operations, yet there is little known about whether and how stakeholders influence M&A progress after the public announcement. This study focuses on three types of primary stakeholders: employees, shareholders, and lenders, and examined their influence on the likelihood of completing an announced M&A and acquisition premiums. I explored stakeholders' reactions, which reflect their anticipation of benefits and losses from the proposed M&A with an empirical analysis of longitudinal data for listed Japanese non-financial firms' M&As between 1986 and 2012. The results showed general support for the proposed hypotheses.

The Effects of Prior Relationships between Investment Banks on M&A Premium

Kwang-ho Kim, *Hankuk University of Foreign Studies*

Relationships between agents may critically influence principals because many business transactions are largely conducted by agents. In this study, we explore how relationships between agents affects their principals by using data of investment banks on M&A and acquisition premium. We predict that acquisition premium are likely to increase with the relationships between investment banks, indicating that relationships between agents may deteriorate agency concerns of an acquirer. We also expect that relationships between acquirer and its advisor negatively moderates this effect of relationships between advisors. This result implies that relationships between principal and agent serves to mitigate agency concerns. This study is expected to provide a new approach to study M&A premium by emphasizing the relationships between agents as a critical consideration in M&A deal.



Excess Control Rights and Corporate Fraud

Wei Shi, *Indiana University*

This paper examines the relationship between control ownership wedge and corporate fraud commission. Control ownership wedge refers to the divergence between controlling shareholders' control rights and their cash-flow rights. We argue that the marginal "benefit" of imposing pressures on managers to commit corporate fraud is lower but the marginal cost is higher for controlling shareholders with a large control ownership wedge than those with a small control ownership wedge. Using a sample of privately-owned listed firms in China, we find that control ownership wedge bears a negative relationship with the likelihood of corporate fraud commission and such a relationship is accentuated when firms are more likely to be "propped up" by business groups or face high competitive pressures.

SESSION 388

INNOVATION: KNOWLEDGE AND CAPABILITY

TRACK C	Date	Sunday, Dec 11
	Time	11:15 - 12:30
Developmental	Room	Room 211

Session Chair: Jamal Shamsie, *Michigan State University*

Channelled Creativity: Knowledge Integration on Indian Film Projects

Jamal Shamsie, *Michigan State University*

Irene Elisabeth De Pater, *National University of Singapore*

Naga Lakshmi Damaraju, *Indian School of Business*

An increase in emphasis upon knowledge as a resource has led to growing research on the integration of knowledge that is held by various experts who work together on a project. Although a growing number of studies have tried to explain this critical process, they have tended to rely upon specific formal mechanisms for coordination or upon particular types of interactions among group members. In this paper, we emphasize the role of a central designer or director that can serve to channel the efforts of all of the experts to pursue a creative vision. We provide a comprehensive account of this process of knowledge integration on Indian film projects.

Going Deeper on SME's Innovation Capacity: An Empirical Exploration

Antoine Pierre, *Montpellier University*

This research explores innovation capacity in the specific context of SME's innovation activities. SME's Innovation capacity is particularly hard to define in SME's as most of their innovative activities are informal and melted in overall firm activities. By using existing research on Innovation capacity we seek to go deeper in the concept and empirically explore what are resources and capabilities that illustrate SME's innovation capacity. A qualitative study based on multiple case study analysis, has been carried out through semi-structured interviews with 31 French SMEs. The results helped to discuss key dimensions of SME's innovation capacity expressed by existing literature. We then proposed new insight in the definition of innovation capacity by providing four new dimensions expressed as essential by innovative SMEs.

Understanding HRM-Firm Innovativeness Linkage: The Role of Knowledge Integration Mechanism

Shiau-Chi Lin, *National Chung Hsing University*

HRM systems are assumed to foster firm innovativeness indirectly, and knowledge is one of the key factors that may mediate the relationship between HRM systems and firm innovativeness. However, based on the knowledge-based view (KBV), the horizontal and vertical boundaries of firms may also limit firm's knowledge acquisition and knowledge specialization. This paper aims to contribute to the HRM and knowledge management literature by proposing a novel research framework. The purpose of this study is to examine how the mediating effects of firm's knowledge integration mechanism will affect the relationship between HRM systems and firm innovativeness. Our analyses will be drawn from the data collected from multiple sources in high-technology firms that implements cross-functional HRM systems and attach great importance to both knowledge management and innovation.

Traps on the Ladder's Top: Knowledge Leakage and Appropriability in Innovative Collaboration

Jiamin Zhang, *Tsinghua University*

Rui Wu, *Tsinghua University*

Jizhen Li, *Tsinghua University*

RBV suggests that idiosyncratic resources define a sustainable competitive advantage, which promoted the "bright side" of complementary resources and investigated how a focal firm can leverage resources through its collaborative relationships. Our study extends RBV by considering the risks, or potential negative consequences related to external resource adoption. We evaluate how firms' heterogeneous capabilities influence the risks and benefits from knowledge spillover in collaborative activities. It shows that firms with superior technological capabilities are exposed to higher risks, thus gain little, yet competitively suffer when their technologies spill over to partners. Appropriability strategies, as a defensive mechanism, not only improve knowledge absorption efficiency directly, but also alleviate the risks of leakage and strengthen the effectiveness of technological capabilities by protecting and utilizing its knowledge.

Venture Capital Attributes and Enterprise Technological Innovation Capability

Yong Li, *State University of New York at Buffalo*

Changhui Pei, *phbs*

Xufei Ma, *Chinese University of Hong Kong*

Gang Wang, *Wuhan University*

In spite of a large amount of research about the relationship between venture capital and technological innovation, this effect was inconclusive. We hope to open this black box by employing resourced-base view (RBV) and principal-agent theory. Using data of 597 listed firms financed by venture capital from 2000 to 2013, we examine whether and how venture capital attributes affect enterprise technological innovation capability. Generally, entry of venture capital, has significant positive effects on enterprise technological innovation capability. Specifically, investment amount and holding period of venture capital are significantly positively related to enterprise technological innovation capability; The effects of background, project experience and joint investment are non-significant; staged investment has significant negative effects.

SESSION 355

EXPLORATION AND EXPLOITATION INNOVATIONS

TRACK D	Date	Sunday, Dec 11
	Time	11:15 - 12:30
Paper	Room	Lecture Theatre 4

Session Chair: Yi Tang, *Hong Kong Polytechnic University*

A Political Innovator? How Political Networking Affects Firm Exploration vs Exploitation

Yi Tang, *Hong Kong Polytechnic University*

Yu Liu, *Hong Kong Polytechnic University*

Political networking has been suggested as an effective non-market strategy frequently adopted by firms in emergent economics in order to achieve competitive advantage. This study draws upon upper echelons theory and the resource-based review (RBV) to explore the relationship between political networking strategy, product innovation and CEO core self-evaluation (CSE). Political networking helps firms gain more novel information and institutional support to promote innovative projects. However, the effects of political networking can also be affected by CEOs' psychological characteristics. This study investigates how a CEO's hyper level of CSE may weaken the positive relationship between political networking and firm explorative vs. exploitative innovation. With a survey data of a large sample of Chinese CEO, we found support for our predictions.

Alliance Portfolio Diversity and Neo-Strategic Alliances: Dynamic Capability Approach at Focal Firm in Hypercompetitive Environment

Amit Srivastava, *T.A. Pai Management Institute*

Ishwar Haritas, *T.A. Pai Management Institute*

The Indian third-party logistics industry (TPLI), in the last 15 years, has witnessed a hyper-velocity and hyper-competitive environment, especially in the context of e-Tail. Though TPLI firms have been considering several strategies to address the environment and sustain competitive advantage, many of them are struggling. Blue Dart, a leader of the industry, has survived and sustained its competitive advantage. This study, adopting extended case study method, conducts an in-depth case study on alliance formation and its effect on firm performance. The study analyses alliance portfolio diversity and neo-strategic alliances, as a new strategic choice, to develop dynamic capability to sustain and consolidate market dominance in the industry. The study explains research context, method, propositions, and proposes implications for the firm in hyper-competitive, emerging market contexts.

Driving Innovation Through Cultural Traits: Adapting Communities of Practice to Chinese Organizations

Florian Andresen, *Helmut Schmidt University*

Haixia Xiao, *Lufthansa Technik AG*

Benjamin Schulte, *Helmut Schmidt University*

Andre Kreutzmann, *Helmut Schmidt University*

While strictly formalized and hierarchical organizations are advantageous in stable markets, volatile and changing market conditions demand for strategic changes. In order to accelerate their transition many Chinese companies are turning towards western managerial practice like communities of practice concerning knowledge management and organizational learning. Though valid in some cases, neglecting cultural features incorporated in specific concepts could cause costly pitfalls. Scholars have argued that the concept of communities of practice might indeed be susceptible to cultural influences. Addressing these assumptions, we developed a model of propositions investigating on the contingencies Chinese cultural traits could unfold on the performance of organizational communities. We argue that Chinese cultural traits could leverage the formation and operation of communities regarding incremental innovations while impeding performance concerning radical ones.

SESSION 328

INNOVATION AND IMITATION IN INTERNATIONALIZATION

TRACK E	Date	Sunday, Dec 11
	Time	11:15 - 12:30
Paper	Room	Lecture Theatre 7

Session Chair: Limeng Yu, *National Tsinghua University*

R&D Offshoring and Outsourcing: The Role of Architectural Modularity

Jaykumar Padmanabhan, *Indian Institute of Management Bangalore*

Innovation in Multinational Enterprises has become dispersed across locations and partner firms through offshoring of research and development activities. One would wonder if this is happening because of architectures becoming more modular and thus resulting in increased outsourcing and offshoring. Hence, in this paper, we study the relationship between modular architectures and the governance choice. We collected data from software service providers that provide R&D services & MNEs that outsource R&D services to companies in the semiconductor industry. Our findings from this survey show that though architectural modularity drives the decision to outsource research and development activities, factors such as prior experience of suppliers, complementarity and variety play an important role in the outsourcing decision for R&D.

High Potential Programs and Innovation from the Perspective of Social Comparison Theory

Hye Ryeong Lim, *Seoul National University*

Kyung Suk Lee, *Seoul National University*

We examine the relationship between high potential programs exclusive to core employees and innovation in Korean firms. This paper found that exclusive talent management has a negative relationship with innovation. Influence of founding family CEO strengthens this negative relationship. However, these programs boost innovation for firms with a high level of internationalization.

Dance with Suspicion: When Chinese Technology Firms Meet the U.S. Market

Limeng Yu, *National Tsinghua University*

Chuan-Kai Lee, *National Tsing Hua University*

Pao-Lien Chen, *National Tsing Hua University*

Being latecomers, technology firms from emerging economies are often accused of being technology thieves in the markets of developed countries. This study compares two Chinese technology firms, Huawei and ZTE, of how they overcame suspicion to grow their markets in the US. We use the documents of the two firms' litigation, corporate reports, media coverage, and participation in the technological communities in the U.S. to analyze their strategies in entering the U.S. market through establishing and increasing legitimacy. Initial findings suggest that, to establish and increase legitimacy, Huawei chose a technology approach to promote its technology image, accumulate technology capitals and fulfill social responsibilities, while ZTE adopted a relational approach to develop relationships with industrial partners, the public and the authority.

Performance Feedback, Slack, and Imitation in Foreign Location Choice

Tao Han, *Tilburg University*

Xavier Martin, *Tilburg University*

This study investigates determinants of firms' propensities to imitate others' country choices in foreign entries. Drawing upon the Behavioral Theory of the Firm, we theorize that risk-averse firms deal with uncertainty in such a way that those with above-aspiration performance are more likely to engage in imitative foreign entry. In contrast, below aspiration performance or slack gives managers higher risk tolerance, which makes imitation less probable. Empirical analysis of 1,160 foreign entries in 127 potential host countries by Chinese public firms from 2004 to 2013 confirms that aspiration and slack are important determinants of imitation.

SESSION 337

ORGANIZATIONAL ACTION AND REACTION

TRACK F	Date	Sunday, Dec 11
	Time	11:15 - 12:30
Paper	Room	Lecture Theatre 6

Session Chair: Xu Wang, *University of Hong Kong*

Corporate Social Performance Aspiration and its Effects

Guangtao Zeng, *Keio University*

Yuehua Xu, *Sun Yat-sen University*

Unlike previous research focusing on aspiration in corporate financial performance, this study examines organizational aspiration in corporate social performance (CSP aspiration). We propose that in stakeholder-oriented countries such as Japan, firm executives are likely to develop CSP aspirations by comparing their own CSP with that of their industry peers, which in turn motivates executives to improve or maintain their firm's social performance. Specifically, we argue that a firm with a very low or very high level of CSP relative to aspiration is more likely to invest heavily in philanthropic contributions. We also propose that by aligning executive incentives with the interests of the firm, a change in executives' equity-based pay can moderate the curvilinear relationship of CSP to aspiration and philanthropic contributions.



Resource Configuration and Performance of Corporate Social Responsibility: A Fuzzy Set Analysis

Wein-hong Chen, *National Dong Hwa University*

Thi Kieu Trang Do, *National Dong Hwa University*

Corporate social responsibility (CSR) has attracted great attention in the field of strategic management. Despite the consensus that resources are critical in determining a firm's effectiveness in performing corporate social responsibility, scant research has investigated what configuration of resources contributes to better CSR performance. In this research, we propose that certain configurations of technological, managerial, and relational resources are equifinal in leading to similar outcomes of CSR performance. Utilizing fuzzy set qualitative comparative analysis, this research will investigate the propositions. This research contributes to both management literature and practices by highlighting how different combinations of resources can be utilized to increase CSR performance.

How Proactive Environmental Strategy Develop Organizational Capabilities: Evidence from China

Defeng Yang, *Jinan University*

Xu Wang, *University of Hong Kong*

Despite the general attention on how firms adopt proactive environmental strategy to reduce environmental pollution, few studies have examined how such strategy could serve to help build organizational capabilities. Through the lens of resource-based view (RBV), this study investigates the underlying mechanisms through which proactive environmental strategy stimulates organizational innovation and stakeholder integration capability. Using first hand data collected from publicly listed companies in China, this study reveals that proactive environmental strategy has a positive influence on innovation and stakeholder integration capability; that organizational learning fully mediates the effects of environmental strategies on innovation capability, and that organizational learning and cross-functional coordination partially mediate the effects of environmental strategy on stakeholder integration capability.

Customer Concentration and Business Entertainment Investment: Evidence from Chinese Listed Firms

Luqun Xie, *Hong Kong University of Science and Technology*

Guoguang Wan, *Hong Kong University of Science and Technology*

Dequan Jiang, *Wuhan University*

Jiatao Li, *Hong Kong University of Science and Technology*

This study explicates the strategic impetus behind business entertainment investments from the resource dependence perspective. In particular, we propose that business entertainment investment is an embeddedness strategy, responding to the customer concentration (e.g.: a firm's sale is attributed to at least one major customer). The business entertainment practice enables the focal firm to cope with the dependence on major customers through building up relational capital with them and with other critical stakeholders who could also influence the dyadic relationship between the focal firm and its major customers. Such a positive relationship between customer concentration and business entertainment investment is weakened when the firm has more market power such as it is state-owned and the market share is high. However, market complexity strengthens the main relationship.

SESSION 395

INNOVATION IN CHINA

TRACK P

Date Sunday, Dec 11
Time 11:15 - 12:30
Room Lecture Theatre 8

Invited Panel

Innovation in China

Session Chair

Charles Dhanaraj, *IMD*

Panelists

Arie Lewin, *Duke University*

Robert Bruce McKern, *University of Sydney Business School & China Europe International Business School*

Jeongmin Seong, *McKinsey Global Institute*

George Yip, *Imperial College*

This panel examines innovation in China from the perspective of both Chinese and foreign companies. Yip and McKern will draw on their recent book, *China's Next Strategic Advantage: From Imitation to Innovation* (The MIT Press, 2016). Yip will talk about three phases of Chinese innovation. He will also review the ways in Chinese companies differ from Western ones in their approach to innovation. Lewin will then present an exemplar of Chinese innovation, Haier, and how it uses social mechanisms to enable open innovation. Lewin will then present a case study tracing Haier's adoption of six radical product innovations and discuss the evolution and implications of Haier's unique social mechanisms that enable flexibility, and readiness for change as it affects open innovation. McKern switches to the role of foreign MNCs and the congruence between their business and R&D strategies in China. He will outline the three drivers of foreign MNCs' R&D strategies in China and the four alternative organizational modes adopted by them. Seong will discuss four archetypes of innovation (science-based, engineering-based, customer-focused and efficiency-driven) and where China stands today. He will also talk about how China is creating a "China effect" on the global innovation landscape by becoming a cheaper, faster and globally connected platform not only for Chinese but also for multinational companies.

SUNDAY 11:15 – 12:30

12:30 – 13:30

LUNCHEON

SESSION 340

META ANALYSES OF GOVERNANCE AND INSTITUTIONS

TRACK A	Date	Sunday, Dec 11
	Time	13:45 - 15:00
Paper	Room	Lecture Theatre 6

Session Chair: Shige Makino, *Chinese University of Hong Kong*

Agency Theory and Corporate Governance in China: A Meta-analysis

Canan Mutlu, *Kennesaw State University*
 Marc van Essen, *University of South Carolina*
 Mike Peng, *University of Texas at Dallas*
 Sabrina Saleh, *University of South Carolina*

Do agency theory-based corporate governance principles apply to China? A straightforward answer to this question is lacking, because evidence is inconclusive across studies. We endeavor to fill this gap by conducting the first meta-analysis on the China literature with two foci. First, we assess the impact of (i) board independence, (ii) board leadership structure, and (iii) managerial incentives on firm performance, as these elements have been central to both agency theory and to Chinese corporate governance reforms. Second, we extend current theorizing by showing support for the temporal hypothesis, which states that over time, with the improvement in the quality of market institutions and the development of financial markets, the monitoring mechanisms of the board become more important whereas the incentive mechanisms lose their significance.

Discontinuous Change and Firm Performance: Meta-Analysis and Theory

Frank W. Ng, *Hang Seng Management College*

Existing studies on discontinuous change appear to overlook the heterogeneity among discontinuous changes. By addressing the research question – how do various discontinuous changes influence firm performance differently? – I elucidate the heterogeneity among fundamental types of discontinuous change and to disentangle their impact on firm performance. Drawing on an institutional perspective, this study develops a typology of discontinuous change, namely stepwise change, shocking change, and disruptive change, distinguished by the patterns of institutional complexity. Using meta-analytical techniques, this study examines the differential impact of discontinuous change on firm performance. This study offers theoretical contributions to the discontinuous change-performance relationship.

Do Institutions really matter for the Relationship between Diversification and Performance? A Meta-Analytical Approach

Phillip Christopher Nell, *WU Vienna*
 Marc van Essen, *University of South Carolina*
 Dominik Wagner, *Trier University*
 Joern Block, *Trier University*
 Ettore Spadafora, *University of South Carolina*
 Michel Lander, *HEC Paris*

Scholars have tried to explain different diversification patterns in different parts of the world through an institutions-based view of firm scope. This view's claim is that the institutional context moderates the relationship between diversification and performance in such a way that diversification in developing and emerging markets is more profitable than in developed markets. However, empirical results are still inconclusive, it is unclear which institutional factors matter, and if institutional effects have become weaker over time. Using a meta-analytic approach based on 464 published and unpublished studies, we shed light on these issues. Our findings show that formal institutions matter more than informal ones but that their effect is becoming weaker. Thus, we contribute to the diversification literature and the institutions-based theory of firm scope.

Dynamic Institution-based View of Ownership Mechanisms: A Meta-analysis

Sabrina Saleh, *University of South Carolina*
 Canan Mutlu, *Kennesaw State University*
 Mike Peng, *University of Texas at Dallas*

This study aims to contribute to the contingency view of corporate governance by highlighting structural ownership differences and their effects on firm outcomes across different institutional configurations. Specifically, the distinctness of transition economies in terms of institutional heterogeneity and dynamism implores to explore the impact of institutions on corporate governance across time and space. Given the increasing empirical interest and mixed results across studies, we explore our questions by conducting the first meta-analysis in transition economies.

SESSION 351

INSTITUTIONAL ENTREPRENEURSHIP

TRACK B	Date	Sunday, Dec 11
	Time	13:45 - 15:00
Paper	Room	Lecture Theatre 7

Session Chair: Markus Taussig, *National University of Singapore*

Changing Multiplex Ties: Intergenerational Leadership Succession in Family Firms

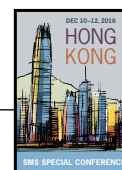
Jian Bai Li, *Stanford University*

Multiplex relationships tend to be particularly stable, but they may also be difficult to change. Since prior research has inadequately examined how actors change multiplex ties, I address this gap. I conduct an inductive, multiple-case study of intergenerational CEO successions in Chinese family firms. Here family and business domains are important and yet different. As a result, the family relationship between the incumbent (father) and the successor (child) often hinders the renegotiation of their business relationship during succession. My core contribution is an emergent theoretical framework that unpacks multiplex ties, and specifies how a third-party boundary keeper (e.g. mother) facilitates their change. I highlight 3 strategic actions. More broadly, my work has implications for network evolution, dyads v. triads, and an "agentic perspective" on networks.

Entrepreneurial Behavior among Migrant Refugees in Hong Kong

Arif Mahmood, *Hong Kong Baptist University*
 Michael Young, *Hong Kong Baptist University*

Current stream of entrepreneurship literature typically does not examine the "grey market" activities of migrant refugees. Taking a qualitative, grounded theory approach, we propose to conduct sixty in-depth interviews of migrant refugees in Hong Kong to explore their entrepreneurial behavior. We hope to understand why some migrant refugees are more successful in identifying and filling institutional voids. We also hope to understand how imprinting and perception of risk affects the migrant refugees' entrepreneurial decision making. In doing so, this study will extend the entrepreneurship literature into the gray market entrepreneurial behavior of migrant refugees. It will also provide a better understanding of factors that influence the success or failure of the growing number of migrant refugees in Hong Kong.



Toward an Integrative Framework of Paradox Management: Implications for Strategic Management

Bo Zou, *Harbin Institute of Technology*
Zheng Zhao, *University of Kansas*
Peter Ping Li, *Copenhagen Business School*
Xudong Ni, *Zhejiang Sci-Tech University*

Many managerial issues are paradoxical in nature. Effectively managing the coexistence of conflicting yet complementary aspects of paradoxical issues is critical to a firm's competitiveness. Despite its importance, several areas of paradox management research require further development. In this study, we seek to contribute by offering three key insights. First, we propose a refined definition of paradox as the coexistence of partially conflicting and partially complementary elements, which serve as two defining dimensions of paradox toward a 2x2 typology. Second, we identify three generic strategies for paradox management, i.e., static prioritizing, dynamic oscillating, and contextual reconditioning. Finally, we juxtapose the three generic strategies with the four generic types of paradoxes in the typology.

Opening Factory Doors in Emerging Economies: An Experiment on Participation in Regulatory Design in Vietnam

Markus Taussig, *National University of Singapore*

Regulatory non-compliance by firms causes grave dangers for surrounding communities in emerging economies. This paper describes the results of a two-year experiment in Vietnam testing the possibility that firms that are asked for their feedback on a new business regulation are subsequently more likely to comply with that regulation. The results on whether such participation increased compliance with a specific Vietnamese labor protection regulation were mixed, but the participation clearly and significantly increased the willingness of firms to open their factory doors to inspection by chemical safety experts working for a business association affiliated with the government.

SESSION 389

INDUSTRY CLUSTERS AND LOCATION ECONOMICS

TRACK C	Date	Sunday, Dec 11
	Time	13:45 - 15:00
Paper	Room	Room 201

Session Chair: Brett Anitra Gilbert, *Rutgers University*

Cultural Enablers of Technology Region Emergence in Developing Contexts: Values that Shape Technology Entrepreneurship

Brett Anitra Gilbert, *Rutgers University*
Andres Velez-Calle, *Rutgers University*
Yuanyuan Li, *Rutgers University*
Marcus Crews, *Rutgers University*

The majority of research on technology regions either focuses on the firms, industries, or available supporting infrastructure for existing industry clusters and industrial districts, with little emphasis on a region's individuals who necessarily create and support industry concentration. Of the individual level research that exists, there is limited understanding of how a region's residents influence emerging technology regions. In this study, we build understanding of the enablers of technology region culture in developing contexts. We proffer theory based on knowledge development, knowledge sharing, venture creation, and venture ecosystem as critical building blocks of technology region culture, and propose a host of individual characteristics that support these foundations. The result is a model of individual and regional cultural enablers that promote technology region emergence.

Why Do Some Pioneer Firms, but not Others, Become Roots of New Industry Clusters?

Wei Zhang, *Tsinghua University*
Steven White, *Tsinghua University*
Jianxi Luo, *Singapore University of Technology and Design*

This comparative study in the context of China's solar photovoltaic (PV) industry seeks to understand why some, but not other, pioneer firms become the roots of new industry clusters. We begin with an analysis of how the founder of Suntech established his firm in a location lacking a supporting solar PV cluster. We then compare Suntech with other pioneer firms in other regions, incumbent state-owned enterprises and other private firms, who did not become the roots of new clusters. Our findings suggest a set of contingencies related to the pioneer's industry-specific capabilities, strategy, target market and regional environment. Our findings have implications for both entrepreneurial pioneers and policymakers.

Impact of Technological and Geographic Farness on Co-location of R&D Centers in an Emerging Economy

Shuna Shu Ham Ho, *Simon Fraser University*
Chang Hoon Oh, *Simon Fraser University*

This study examines how technological and geographic farness of multinational corporations (MNCs) located in an innovation cluster attract the co-location of another MNC's research and development (R&D) center. Based on network theory, we theorize that technological and geographic farness increases the likelihood of co-location to a certain point, beyond which the likelihood decreases. We argue that the inverted U-shaped relationship between farness and co-location is positively moderated by the amount of local resources, which is the availability of R&D personnel and governmental R&D expenditure in the cluster, but is negatively moderated by cluster maturity. We will test the hypotheses using a sample of 119 MNCs and their 601 R&D centers that entered 41 New and High-technology Industrial Development Zones in China between 1992 and 2008.

Rivalry in Partner Location and the Design of R&D Alliances

Wonsang Ryu, *Purdue University*
Brian McCann, *Vanderbilt University*
Jeffrey Reuer, *University of Colorado, Boulder*

This study offers an extension of prior literature on competitive aspects of R&D collaborations that has mainly focused on knowledge protection concerns in alliances between direct rivals. We join the alliance literature with the agglomeration literature to argue that geographic co-location between an allying firm's partner and its major rivals introduces potential indirect paths of knowledge leakage to rivals by facilitating unintentional knowledge spillovers to rivals as well as transactions between the partner firm and the rivals in which firm knowledge can be misappropriated. Therefore, the allying firm is more likely to use equity structures and reduce task interdependence in the R&D alliance as the partner firm is surrounded by more of its rivals. This tendency is also intensified by the nearby rivals' absorptive capacity.

SESSION 358

BUSINESS MODEL INNOVATION IN THE DIGITAL WORLD

TRACK D	Date	Sunday, Dec 11
	Time	13:45 - 15:00
Paper	Room	Lecture Theatre 5
Session Chair: Saurav Snehrat, <i>Indian Institute of Management Ranchi</i>		

What Drives the Success of Business Model Innovation for Internet-based Firms in Emerging Markets?

Yiling Yin, *Zhejiang University*

How Internet-based industry achieves rapid development has been neglected recent years. We focus on the drivers of success in Internet-based industry from the perspective of business model innovation. We argue that the local context (in terms of market dynamism, market segmentation, market competitive) and top management team characteristics (in terms of functional diversity and tenure diversity) play a critical role in the development of Internet-based industry. Using 4 Chinese Internet-based firms as typical cases and an additional sample of 22 firms listed in US, we find that local context will significantly contribute to the performance of business model innovation. Besides, the diversity of top management team will play as a moderator for this relationship.

Competitive Dynamics in Business Model Evolution: An Analysis of the Chinese Online Group Buying Industry

Yang Zhao, *University of Glasgow*

Stephan von Delft, *University of Glasgow*

Anna Morgan-Thomas, *University of Glasgow*

Trevor Buck, *University of Glasgow*

In this article we synthesize strategy and business model literature to explore the role of competitive dynamics in business model evolution. A longitudinal case study of twelve start-ups shows that both innovative actions and imitative reactions are commonplace in crafting a viable business model design. An analysis of the dynamic interaction between innovations and imitations identifies four patterns of business model evolution: intermittent innovation, continuous innovation, selective imitation, and adaptive imitation. These patterns affect a firm's short and long-term performance differently. Successful companies combine several of these patterns, thus fusing innovation and imitation to develop a sustainable business model. In contrast, in our sample, competitors that did not combine these strategies, and instead focused their efforts on business model innovation, failed in this market.

From Paradoxes to Tradeoffs: Multi-level Ambidexterity in Dual Business Models at Tata Motors, India

Saurav Snehrat, *Indian Institute of Management Ranchi*

Swarup Dutta, *Indian Institute of Management Ranchi*

Markides, 2013, calls for use of Ambidexterity as a conceptual backbone for studying Dual Business Models. In answering Markides' call, this study turns to an underdeveloped, yet important, aspect of Ambidexterity: how metaroutines shape Ambidexterity questions in Dual Business Model situations. Building on Adler et. al., 1999's seminal work, we offer a novel visualization of the role of metaroutines in managing paradoxes and tradeoffs. We propose that some metaroutines, like New Product Introduction in Tata Motors: an Indian automotive giant, help in converting strategic paradoxical questions of Ambidexterity to manageable tradeoffs handled at various functional domain levels. We present an in-depth multi-level case study of the development of Tata Ace (2001-2005), highlighting the dynamics between strategic (including business unit level), metaroutine and functional (domain) levels.

Survival through Digital Innovation: How Digitization Accelerates Business Model Evolution

Yang Zhao, *University of Glasgow*

Anna Morgan-Thomas, *University of Glasgow*

Stephan von Delft, *University of Glasgow*

Trevor Buck, *University of Glasgow*

In this article we integrate insights from the business model and digital artifacts literature to explore the role of digital innovation in business model evolution. Despite significant interest in how digital technologies facilitate the emergence of new ventures and new business models, limited research examines the interplay between digital innovations and the dynamic process of shaping and renewing business models, and the implications of digital innovations for the performance of entrepreneurial companies. A longitudinal case study of twelve Chinese Online Group Buying (OGB) companies shows compressed patterns of digital and non-digital innovations, where the scope, range, and incidence of innovation is intensive. Digital innovation involves continuous "morphing" that creates complex interdependencies between business design elements, which leads to long-term performance and survival.

SESSION 325

INSTITUTIONS AND LEARNING OF MNES IN EMERGING MARKETS

TRACK E	Date	Sunday, Dec 11
	Time	13:45 - 15:00
Developmental	Room	Room 211
Session Chair: JingYu Yang, <i>University of Sydney</i>		

Caution and Causation: When Do Early Entrant Failures Inhibit New Entries

JingYu Yang, *University of Sydney*

Jane Lu, *University of Melbourne*

Tingting Zhang, *Capital University of Economics and Business*

This study examines why and how the heterogeneity of reference firms' entrant failures in a host country may affect the extent to which these failures inhibit a prospective investor's new entries into the country. We argue that the failed entrants with greater heterogeneity are more likely to be attributed to internal causes, resulting in a reduced inhibiting effect on new entries. By contrast, if the firms who made these failed entrants are highly heterogeneous, their failed entrants are more likely to be attributed to environmental causes, leading to a strengthened inhibiting effect on new entries. Analyzing 925 Japanese firms' entries into China from 1979 to 2000, we found strong support for the arguments.

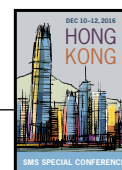
Creating a Runaway Success: Exploiting Resources During Product Launch

Jamal Shamsie, *Michigan State University*

Joel Koopman, *University of Cincinnati*

Donald Conlon, *Michigan State University*

In spite of the popularity of the resource-based view (RBV), little is known about the nature of the link between resources and performance. In this paper, we move beyond the deployment of resources in the development of new products to the exploitation of these resources when these products are launched. More specifically, the use of various resources can allow the firm to take actions that can increase the chances of the success of the new product in the market. Consequently, our paper draws on research about the contribution of resources in the development phase based on the RBV and combine this with the impact of actions in the launch phase based on competitive dynamics.



Intellectual Structure of Internationalization Research with China Focus: A Co-Citation Analysis

Mehmet Ali Koseoglu, *Hong Kong Polytechnic University*
 Mehmet Yildiz, *Ankara Yildirim Beyazit University*
 Mehmet Barca, *Ankara University of Social Science*
 Fevzi Okumus, *University of Central Florida*

This study is an attempt to elucidate intellectual structure of internationalization studies with China focus. To this end, related articles are retrieved from leading journals focusing on international business and general management indexed by Social Science Citation Index. Therefore, the main aim of the study is to explore what the most influential studies in the internationalization research are, what the dominant paradigms in these studies in given period are, and how interconnections among these paradigms have evolved in these studies before and after 2008 when China has been the engine of global economic growth by conducting co-citation analysis.

Norwegian Firms in China – Internationalization into an “Unknown World”

Sverre Tomassen, *BI Norwegian Business School*
 Randi Lunnan, *BI Norwegian Business School*

We look at the internationalization of Norwegian firms in China in the period 1977 to 2014. We find strong support for the stage model with low commitment choice of organization at the time of entry to high commitment over time. However, our data also show that more than 40% of the firms choose to stay with non-ownership over time, and that this choice is unrelated to the amount of specific investments. Qualitative comments suggest that these firms have been able to develop strong social ties and trust with their contract partners in China. This is different from the much more profiled development of entrance to China through joint ventures and gradually shifting to wholly owned as well as different from the stage model.

Regional Expansion and International Scope of Firms in China: The Impact of Institutional Diversification

Xiaotong Zhong, *Zhejiang University*
 Aiqi Wu, *Zhejiang University*

In emerging markets like China, we observed firms operated regional expansion within their domestic country before going abroad. Due to the vast territory and imbalanced regional institutional environment development of China, the expansion experience in different provinces with different levels of institutions may shed a light to answer the question that why some EEFs are able to internationalize in multiple countries while others are not. We hypothesized that the regional institutional diversification will have positive impact to the international scope of MNEs in China. And according to knowledge-based view, the learning advantages of newness age and the effective reverse knowledge transfer are considered as moderators in the procedure of learning through different institutions.

SESSION 394

A COMPARATIVE ANALYSIS OF INNOVATION INTERNATIONALIZATION: LOCATIONS AND PROCESSES

TRACK P	Date	Sunday, Dec 11
	Time	13:45 - 15:00
Invited Panel	Room	Lecture Theatre 4

A Comparative Analysis of Innovation Internationalization: Locations and Processes

Session Chair

Yves Doz, *INSEAD*

Panelists

Frank Meyer, *L’Oreal*
 Jaeyong Song, *Seoul National University*
 Steven Veldhoen, *Strategy&-PWC*

Companies from various national origins have followed different paths toward innovation internationalization, in logics, location choices, and knowledge integration modes. They have also internationalized at various points in time, in different circumstances, some in a fragmented world of separate national economies and innovation systems, some in a semi-globalized world of innovation clusters, and some in globally integrated innovation networks. This panel will focus on analyzing and explaining these differences in innovation internationalization paths, with an emphasis on differences between Asian and Western firms of various national origins.

SESSION 401

CORPORATE SOCIAL RESPONSIBILITY: THREE PERSPECTIVES IN CHINA AND HONG KONG

TRACK P	Date	Sunday, Dec 11
	Time	13:45 - 15:00
Invited Panel	Room	Lecture Theatre 8

Corporate Social Responsibility: Three Perspectives in China and Hong Kong

Session Chair

Marjorie Lyles, *Indiana University*

Panelists

Leong Cheung, *The Hong Kong Jockey Club*
 Jonathan Dong, *Nestlé Greater China Region*
 Li Wan, *Cummins China*

This panel will examine three perspectives of corporate social responsibility in organizations from Hong Kong and China. It examines the philosophies, implementation and innovations that guide CSR policies and practices as businesses adjust to the ever-changing political, environmental and regulatory institutions in China. The Hong Kong Jockey Club is well known for its active involvement in philanthropy and in charities. Nestle Corporation believes in the perspective of Creating Shared Value that was proposed by Michael Porter. Cummins, an U.S. Fortune 500 firm, has a long history of corporate social responsibility. It has several joint ventures in China and has active CSR programs in China.

SESSION 392

INSTITUTIONS: TAKING ADVANTAGE OF OPPORTUNITIES IN ASIA

TRACK Y	Date	Sunday, Dec 11
	Time	15:15 - 16:15
Plenary Panel	Room	Lecture Theatre 1

Institutions: Taking Advantage of Opportunities in Asia

Session Leader

Jiatao Li, *Hong Kong University of Science and Technology*

Panelists

Jonathan Doh, *Villanova University*

Robert Hoskisson, *Rice University*

Klaus Meyer, *China Europe International Business School*

The theme of this special conference calls for contextualizing strategic management research and practice in Asia. The massive transformation and unbalanced development of institutions across Asia provide the rich context for strategy scholars to examine their implications. In this plenary session, the three panelists will discuss the role and impact of intergovernmental (IGO) and nongovernmental (NGOs) institutions in Asia, the influence of institutions and factor markets on outward international diversification, and using the institutional theory as a basis for strategy research in Asia. Their insights suggest that economically prosperous societies benefit from participation in diverse and vibrant IGOs and NGOs; that institutions help firms capture profitable economic opportunities such as those captured by outward FDI, particularly in facilitating both production and distribution of generated rents through better contractual assurance; and that the institutional theory provides a promising perspective for strategy research in Asia.



JIATAO (JT) LI is Lee Quo Wei Professor of Business, Head and Chair Professor of Management, and the Senior Associate Dean of the HKUST Business School, Hong Kong University of Science and Technology. His current research interests are in the areas of organizational learning, strategic alliances, corporate governance, innovation, and entrepreneurship, with a focus on issues related to global firms and those from emerging economies. JT Li has been serving as an Associate Editor for the *Strategic Management Journal* since 2009 and serves on the editorial boards of several other leading publications.



JONATHAN DOH is the Rammrath Chair in International Business, founding Faculty Director of the Center for Global Leadership, and Professor of Management at the Villanova School of Business. His articles have appeared in leading journals and he is co-editor and/or co-author of nine books. He has been ranked among the top 12 international business scholars in the world, serves as Editor-in-Chief of the *Journal on World Business*, and is an elected fellow of the Academy of International Business. Jonathan received his Ph.D. from George Washington University in strategic and international management.

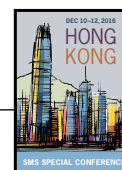


ROBERT E. HOSKISSON is the George R. Brown Chair of Strategic Management at the Jones School of Business at Rice University. He received his Ph.D. from the University of California-Irvine. His research topics focus on corporate strategy and governance and he teaches courses in corporate and international strategic management, among others. He has co-authored over 20 books. He was recently ranked among the top scholars in business and economics by the *Times Higher Education* for the number of papers with over 50 citations. He has served on the Board of Directors and is currently the Past President and a Fellow of the Strategic Management Society.



KLAUS MEYER is a Professor of Strategy and International Business at CEIBS and Director of the Research Centre for Emerging Market Studies. He is a leading scholar in the field of international business conducting research on the strategies of multinational enterprises, especially foreign entry strategies, in emerging economies, especially Eastern Europe and East Asia. He has published over 60 scholarly papers and has published five books. He is also an Adjunct Professor of the Copenhagen Business School, Denmark. He holds an MSc from the University of Göttingen and a PhD from London Business School. He is currently deputy-editor-in-chief of *Management and Organization Review* and a consulting editor for the *Journal of International Business Studies*.

16:15 – 16:45
AFTERNOON TEA BREAK



SESSION 339

CORPORATE GOVERNANCE IN CHINA

TRACK A	Date	Sunday, Dec 11
	Time	16:45 - 18:00
Paper	Room	Lecture Theatre 7

Session Chair: Robert Hoskisson, *Rice University*

Can CEOs of State Owned Enterprises Increase their Own Compensation through Overseas Listing?

Weiwen Li, *Sun Yat-sen University*

Shanshan Lin, *Sun Yat-sen University*

CEOs of state owned enterprises are expected to receive a low level of compensation in a transition economy. Drawing on the research on symbolic management, this study proposes that these CEOs are able to increase their own compensation through listing company shares in a free market society, where a high level of CEO compensation is acceptable or even desirable. With panel data on listed state owned enterprises from China, we found that CEOs of overseas listed state owned enterprises receive higher compensation than their counterparts of domestically listed state owned enterprises. We also demonstrated that these CEOs could further increase their compensation by inviting non-mainland Chinese to serve as outside directors.

Effects of Special Treatment Regulation on Governance, Strategic Choices, and Outcomes of Chinese Distressed Firms

Daniel Han Ming Chng, *China Europe International Business School*

Qing Ye, *China Europe International Business School*

We explore the aftermath of financial distress among Chinese listed firms. Specifically, we study the effects of the special treatment (ST) regulation in China on the governance, strategic choices, and outcomes of distressed firms. We first explore how ST status changes the governance characteristics of firms, in terms of their ownership structure, top management team, and intra-group financial support. We then investigate how these changes affect their subsequent strategic choices, namely their strategic change and retrenchment activities. Finally, we assess how these strategic choices affect their strategic outcomes, in terms of their financial and turnaround performance. We test our model using a sample of ST status firms between 1998 and 2011. Our study contributes important insights to research on financial distress and turnaround.

How Governance Architects Unravel Competing Institutional Logics: The Case of Board Secretary

Xing Chen, *Bocconi University*

Daphne Yiu, *Chinese University of Hong Kong*

Ruth Aguilara, *Northeastern University*

An understudied actor in corporate governance is governance architect that bridges various governance participants to deal with competing institutional logics. We ask how governance architect manages competing institutional logics to improve a firm's corporate governance. Building on the literature of competing institutional logics, we develop a typology of governance architects' roles and propose that governance architects function more effectively when they play the role of hybridiser, or the role of challenger supported by insiders. With a sample of Chinese listed firms from 2001 and 2007, we find that board secretaries as governance architects are more likely to improve board independence when they identify with market logic. Such effect is stronger when the board secretary identifies with state logic or has social ties with board chairman.

★ When the Boss is Not Always the Boss: Hierarchical Inconsistency and Organizational Misconduct

Yidi Guo, *INSEAD*

Xiaowei Luo, *INSEAD*

This study argues that hierarchical inconsistency, the opposite rank ordering in the formal and informal hierarchies of the corporate elite group, provides a monitoring mechanism among corporate elites and prevents firms from engaging in organizational misconduct. This monitoring effect is particularly

strong in institutional environments and elite group structures where both hierarchies are well accepted as consequential. We test our argument in the empirical context of family business in China's transitional market, where the formal business hierarchy and the informal family hierarchy may confer superiority to different individuals. This study contributes to the corporate governance literature by understanding how formal structures and informal social relationships interact and jointly influence governance effectiveness.

SESSION 347

INSTITUTIONAL THEORY PERSPECTIVES ON ASIAN BUSINESS PHENOMENA

TRACK A	Date	Sunday, Dec 11
	Time	16:45 - 18:00
Paper	Room	Room 201

Session Chair: Preet Aulakh, *York University*

Imposed Institutional Logics and Strategic Adaptation in Indian State Owned Enterprises: Means Versus Ends Perspective

Anubha Shekhar Sinha, *Indian Institute of Management Kozhikode*

Preet Aulakh, *York University*

Sougata Ray, *Indian Institute of Management - Calcutta*

State owned enterprises (SOEs) emerged to fulfill both socio-political and economic objectives. Due to externally and internally imposed institutional changes, these organizations face pressures to adopt market logic while continuing to fulfill their original mandates. This leads to institutional complexity due to the presence of multiple logics. Extant literature highlights the importance of consistency on ends as a way to understand organizational adoption of competing logics. We contest this by arguing that it is not the consistency of ends, but that of means, which influence adoption. We theorize how the malleability of means allows organizational actors and institutional referents to align in order to reconcile competing logics. Empirical results based on a sample of 240 Indian SOEs during the 1991-2008 period support our theorization.

Micro-institutional Change and Organization Design: A Process Model of Logic Elaboration

Shipeng Yan, *Tilburg University*

Xin Fu, *IESE Business School*

Ganqi Tang, *China Europe International Business School*

We develop a process model of logic elaboration from a case study of a China-based financial training company. Based on 8 years of real time observations and interviews, we theorize how a firm steeped in a professional logic endogenously initiates a micro-institutional change to elaborate on its professional logic by incorporating elements from a market logic. The findings suggest that recognition, experimentation, articulation, and infusion are the key processes that underlie logic elaborations. Our study contributes to literatures on institutional change and organizational design by documenting empirically how a dominant logic could enable actors to incorporate an alternative logic through organizational design.

The Study on the Speed of Asian Firms' Changing Corporate Governance after 2008 Financial Crisis

Hyunjoo Min, *University of South Carolina*

This study tries to investigate the determinants of the speed of corporate governance change after 2008 financial crisis. The focus of the study is to uncover the speed of corporate governance change which is one of dynamic aspects of organizational change. By using data on publicly-listed firms in Asia, the speed of changing corporate governance is explained through availability of internal and external firm resource based on resource dependence theory. The findings of this study offers implications on organizational change under institutional pressure by detecting which firms are first-movers in changing corporate governance. Finally, this study expects to contribute to corporate governance research by giving more context-based analysis with limiting time window from financial crisis.

From Cluster Architectural Knowledge to Competitive Advantage: A Moderated-Mediating Model

You Shuyang, *Dongbei University of Finance and Economics*

Existing Knowledge-based theory (KBT) of cluster neglected the institutional factors of a cluster and was lack of analyzing the interplay between cluster internal knowledge creation process and its outward-looking knowledge sourcing activities. We try to extend existing theories by (1) introducing knowledge exchanges among cluster firms as the mediator between cluster architectural knowledge (CAK) and cluster competitive advantage; (2) integrating the institutional complexity perspective into KBT of cluster; and (3) giving a fine-grained analysis of the moderating role of cluster outward-looking knowledge sourcing activities. We also give a thick description of the whole research setting, design, sampling and variable measurement at the end of this proposal.

SESSION 382

INNOVATION STRATEGY AND MANAGEMENT

TRACK C	Date	Sunday, Dec 11
	Time	16:45 - 18:00
Paper	Room	Lecture Theatre 6
Session Chair: Hisanaga Amikura, <i>Sophia University</i>		

What Innovation Models are Particularly Effective in Asian Societies?

Velma Lee, *Palm Beach Atlantic University*
Amber Lo, *Retired Professor*

This paper aims to identify innovation models that are prevalent in the Asian societies using a literature review approach. Asian societies are both homogeneous and heterogeneous in many different facets which range from culture, geography, political economy, to demographics. To let the data speak, a simple "key-word search" method is adopted to investigate the literature documented about innovation in Asia. Our data comes from three major academic search databases for the business discipline: EBSCO host, JSTOR, and ProQuest Central. Result shows that two major types of innovation emerges: technological (innovation hub and reverse innovation) and non-technological (product efficiency and social innovation), resulting a 2X2 grid. A list of key articles are suggested for each innovation type. Suggestions for future research are also recommended.

The Effect of Foreign Inventors on Firm Level Patenting

Arden Leung, *Hong Kong University of Science and Technology*

While significant research has examined determinants affecting invention in firms, the management literature has been relatively silent on the effect of inventor characteristics. I propose that the involvement of foreign inventors has positive effects on innovation and affects the geographic sources of knowledge in patents. I also propose that intrafirm international collaboration and the language of patent offices in inventors' home countries moderate these effects. By focusing on the invention stage of innovation, I hope to contribute to the literature on international diversity and firm innovation. A research methodology involving U.S. patent data of semiconductor firms is proposed to test the theoretical model.

Decomposing the Drivers of Innovation Performance

Michael Heeley, *Colorado School of Mines*
Sharon Matusik, *University of Colorado, Boulder*
Markus Fitza, *Frankfurt School of Finance and Management*

Innovation is central to competitive success in many firms. That said, there is considerable variance in perceptions about what drives innovation success. Using variance decomposition methodology and patent data from 1990-2012, we examine the relative importance of institutional context, technology field, industry, corporation, and within-firm technology area in determining innovation outcomes (patent counts), value (forward patent citations), and value appropriation (forward self citations). We find that the within-firm effect is largest across all three indicators of innovation performance. Technology field is also important, explaining about ten percent of the variance in the patent and patent citation models, though it

has a relatively smaller effect in the value appropriation model (4.5%). We discuss implications of these findings for future innovation studies.

Relations Among Product Differentiation, Consumer Distribution and Disruptive Innovation

Masahiro Ishii, *Sophia University*
Hisanaga Amikura, *Sophia University*

Disruptive innovation is one of the most powerful concepts in the field of innovation research. Though it clearly relates with differentiated product and whole consumer behavior, the linkages among them remain incompletely understood. To address this issue, a non-cooperative game model is constructed, where two firms compete with each other and whole consumer behavior is described by a 2-dimensional distribution of preference and budget. Based on the Nash equilibrium, effects of product differentiation and consumer distribution on the competition are examined. This analysis might unveil the conditions that lead to disruptive innovation.

SESSION 384

ENTREPRENEURSHIP AND VENTURE CAPITAL

TRACK C	Date	Sunday, Dec 11
	Time	16:45 - 18:00
Paper	Room	Lecture Theatre 5

Session Chair: Jina Kang, *Seoul National University*

★ Besides Innovation: the Effect Size and Environmental Contingency of Technological Arbitrage Opportunities on Entrepreneur Activities

Jiamin Zhang, *Tsinghua University*

Entrepreneurship is a field about opportunity discovery, evaluation and exploitation. Entrepreneurs are responsive to two basic forms of opportunities: innovative and arbitrage. Answering to a call for more attention to arbitrage opportunities compared to grand innovation, we demonstrate that the heterogeneity in the availability of arbitrage opportunities is a strong predictor to startup rates based on a unique data set of 147 manufacturing industries across 13 provinces in China. Further, we enrich the level of analysis by showing that technological arbitrage opportunities not only differ among industries, but also vary across regions. Finally, following organization-environment interaction approach, we explore how the three dimensions of organizational environments (dynamism, munificence and complexity) influence the discovery, evaluation and exploitation process of technological arbitrage opportunities.

Entrepreneurial Orientation in Emerging Economies: Networking as Sixth Dimension

Kaustav Saha, *Indian Institute of Management Ranchi*
Rohit Kumar, *Indian Institute of Management Ranchi*
Swarup Dutta, *Indian Institute of Management Ranchi*

Building on the Lumpkin and Dess' (1996) conceptualization of Entrepreneurial Orientation (EO), our study proposes and tests a distinct conceptualization of EO for emerging economies. Owing to the substitution for formal institutional mechanisms by informal institutional constraints fostered through networking, we argue that EO for emerging economies includes networking as a salient dimension. Hypotheses are drawn to validate networking as the sixth dimension of EO in emerging economies and to test for significant added networking effect of EO on new venture performance. Analysis of data, collected from founding members of new ventures in India, using CFA, SEM and regression, support our main arguments. The findings contribute towards a more complete theory of EO and add relevance for implementing the networking concept in emerging markets.



Strategic Entrepreneurship Process: Integrating Learning and Innovation-process Capability

Andreas Pardyanto, *University of Indonesia*

Avanti Fontana, *University of Indonesia*

Researches on organisational learning and innovation have resulted in innumerable papers. Both disciplines are known to their contribution to the growth of the organisations. However, the studies of both strands mostly stand-alone. We are proposing the concurrent integration of organisation learning and innovation-process capability, and its impact to company performance using strategic entrepreneurship process framework. The model will be empirically examined using the samples of Indonesia state-owned enterprises (SOEs) in order to learn the formation of organisational learning and innovation process within the organisations that is from opportunity-seeking to advantage-seeking behaviour within the SOEs. We expect that the results of this study provide theoretical and practical contribution on the firms' strategic entrepreneurship action to enable them to adapt their changing environment in order to grow.

Strategic Determinants of Partner Selection in Syndicates: Using the Corporate Venture Capitals

Sunny Hahn, *Seoul National University*

Jina Kang, *Seoul National University*

This study investigates strategic determinants of corporate venture capitals' (CVCs) partner selection in syndicates. To complement the CVCs' capabilities, most CVCs choose to make their investments in syndicates, which means that CVCs co-invest with other VCs on a deal. Accordingly, the organization and management of these syndicates affect the CVCs' ability to achieve their financial and strategic objectives, such as opening up windows on new technologies or markets. As lead investors, CVCs can strategically choose and coordinate the syndicate to obtain an optimal achievement. Based on the perspective of strategic management theories, including the resource-based view and agency theory, this study analyses CVC syndicate investment activities.

SESSION 357

STRATEGIC ENTREPRENEURSHIP IN ASIA

TRACK D	Date	Sunday, Dec 11
	Time	16:45 - 18:00
Developmental	Room	Room 211

Session Chair: Brett Anitra Gilbert, *Rutgers University*

A Study of Feasibility on NEET-born Entrepreneurs in Japan

Takao Nomakuchi, *Wakayama University*

In recent years, in Japan increase of NEET is to destabilize the society. On the other hand, Japan, is a country where Entrepreneurs are in an extreme shortage, has been recognized in the world. NEET increasing and Entrepreneurial shortage are said to be cause of the stagnation of the Japanese society. The purpose of this paper is to study the feasibility and the implementation measures NEET become Entrepreneur. Therefore, common points and different points of NEET and Entrepreneurs are extracted from previous studies review, to confirm the common points and different points by a case study. Thus, the feasibility of NEET become Entrepreneurs is verified. Then, implementation measures for NEET young people become Entrepreneurs is verified from a case study.

Local Culture's Influence in Technology Region Emergence: The Case of Hefei, China

Brett Anitra Gilbert, *Rutgers University*

Yuanyuan Li, *Rutgers University*

This research explores whether local culture is a factor that negatively influences emergence of technology entrepreneurship. We investigate this question in Hefei, China - a city that has several characteristics that would facilitate technology entrepreneurship, and yet limited activity. We use mixed research methods that include field site observations, interviews and surveys of entrepreneurs, key stakeholders and the general population to generate insights.

The Strategic Entrepreneurship in Enhancing Innovation of ICT-based Companies in Indonesia

Indra Utoyo, *University of Indonesia*

Avanti Fontana, *University of Indonesia*

The on going globalizations and disruption in business environment have put a premium on the ability of companies to become agile in their market. To develop their global competitiveness, companies must steadily improve their innovation performance, strive for more innovation, and seek new opportunity for growth. The primary study objective was to promote research and understanding the implementation of strategic entrepreneurship (SE) in ICT-based companies, especially in Indonesia. This research has explored a special issue to what extent SE process, which includes entrepreneurial leadership, entrepreneurial culture, adopted business strategy, and innovation capabilities in ICT-based companies contribute to innovation performance as the source of competitive advantage. The result of this study provides theoretical and practical insight on the SE of ICT-based companies in Indonesia.

How do Human Resource Characteristics Affect the Likelihood of an IPO?

Taiki Ito, *Waseda University*

This study investigates the effect of human resource characteristics on the likelihood of an IPO. Prior studies about determinants of IPOs mainly focus on the relationship between product market characteristics of a firm and its decision to go public. Prior to this study, no empirical research investigated the relationship between the human resource characteristics and the probability of an IPO. Using a dataset comprising 1,966 firms in the Japanese information services industry for the period 1998-2005, we found that the number of specialist of a private firm positively affect its likelihood of going public. Also, the specialist-supervisor ratio exhibits an inverted U-shaped pattern.

Coworking-spaces in Asia: A Business Model Design Perspective

Ricarda Bouncken, *University of Bayreuth*

Thomas Clauss, *Philipp University of Marburg*

Andreas Reuschl, *University of Bayreuth*

Coworking-spaces are a recent phenomenon that spreads around the world. Coworking-spaces particularly rise and increase in importance in Asian countries because of the cultural (i.e. collectivism, high-context communication) and institutional contexts (i.e. mega-cities, digitalization, sharing economy) in Asia. Despite the various advantages of coworking-spaces, very limited understanding exists how coworking-space providers can design their business models for the differing user demands and their business models. To close this gap, we take a business model design perspective. We emphasize that coworking-space providers can use four layers of value creation and several value capture approaches to configure their business models along a continuum from rather basic efficiency-centered to novelty-centered full-service business models.

SESSION 332

PERFORMANCE IMPLICATIONS OF INTERNATIONAL STRATEGIES

TRACK E	Date	Sunday, Dec 11
	Time	16:45 - 18:00
Paper	Room	Lecture Theatre 4

Session Chair: Tung Min Hung, *Rutgers University*

Global Offshoring: Strategic Drivers and Firm Performance

Yi-Ju Lo, *Yuan Ze University*

Ming-Je Tang, *National Taiwan University*

Tung Min Hung, *Rutgers University*

This study aims to understand why firms initiate offshoring strategies influencing firms' performance from the perspective of dynamic capabilities. The perspective of dynamic capabilities captures the offshoring environment in which firms consider how and where to deploy and redeploy assets across geographic space. This study used original survey data from the Offshoring Research Network which collected the data of 1,087 offshoring projects across India, China, and Philippines during the period between 2007 and 2011. The findings of this study revealed that competitive pressures, cost pressures, needs for expertise, past experiences, and industrial offshoring rate do drive firms to initiate offshoring strategies. Moreover, the results revealed that the human capital and low-cost operation do enhance firms' performance when firms adopt offshoring strategies in the Asia region.

Performance Effect of Alliance Portfolios of firms: Dimension Refinement and Context Effect

Xiaoyan Wang, *Zhejiang University*

There are contradictory conclusions in existing research on the relationship between alliance portfolios and enterprise performance. One reason is that the dimensions of alliance portfolios are not specific, which is not sufficient for empirically analysis. The other reason is that the limited research on contextual factors which affect the relationship between alliance portfolios and performance makes the scholars not understand the best context for alliance portfolio to increase the performance. To fill the research gap, this paper refines the configuration characteristics of alliance portfolio and analyzes the contextual factors based on 506 firms during a period of ten years. The research not only promotes the empirical analysis of the relationship, but also reveals the contingency strategy of high-performance alliance portfolios, which will provide practical implications.

Portfolio Institutional Diversity and MNC Performance: The Role of Home Country Institution and Ownership Control

Jialin Du, *University of Hong Kong*

We regard Multinational Corporations (MNCs) as a portfolio of foreign subsidiaries, and examine how institutional diversity of the foreign subsidiary portfolio influence MNC performance. A portfolio view of MNCs shifts the predominant focus on dyadic relationships (i.e. parent firm to foreign subsidiaries) and discrete international decisions (i.e. regard each foreign investment decision as independent), to interdependent decision-makings and coordination of a network of foreign subsidiaries. Based on a multi-country sample, we explore whether the effect of portfolio institutional diversity on MNC performance differ for MNCs originated from developed economies versus MNCs from emerging economies. Moreover, we explore whether ownership control can be a critical mechanism for MNCs to manage a diverse foreign subsidiary portfolio.

Global vs. Local Status in International Business: Performance Effects in Downstream and Upstream Activities

Yu Liu, *Aalto University*

Markku Maula, *Aalto University*

Organizational status, as a type of firm-specific advantage, is generally seen as beneficial for firm performance. However, how should relevant status be conceived of when a firm operates in multiple markets? Adopting the global versus local perspective of international business research in our analysis of organizational status, we differentiate between status in global and local networks and compare their performance effects in foreign markets by constructing the interfirm networks both at global and local levels. Furthermore, we examine whether global and local statuses have different effects in upstream versus downstream activities. We test our hypotheses using event history analysis of exit performance in cross-border venture capital between 1996 and 2011. Our results suggest that global and local statuses have different performance effects in foreign markets.

SESSION 398

CONTEXTUAL INNOVATION

TRACK P	Date	Sunday, Dec 11
	Time	16:45 - 18:00
Invited Panel	Room	Lecture Theatre 8

Contextual Innovation

Session Chair

Alvaro Cuervo-Cazurra, *Northeastern University*

Panelists

Tina Ambos, *University of Geneva*

Shige Makino, *Chinese University of Hong Kong*

Stephen B Tallman, *University of Richmond*

This panel will discuss the importance of the context of innovations and, in particular, of how the country in which innovations are developed affects not only the innovations, but also how such innovations are created. We propose a contextually dependent view of innovations that goes beyond the particular characteristics of consumers and analyzes how other factors at the country level such as regulations, institutions, infrastructure, as well as the mindsets that innovators develop by growing up in a particular country, influence the way in which innovations provide solutions to problems. We also want to promote the discussion on the role of context in influencing the transferability of innovations across borders and their use in other locations. This panel is sponsored by Global Strategy Journal.

19:00 – 22:00

SUNDAY NIGHT GALA DINNER



SESSION 343

PERSPECTIVES ON CORPORATE GOVERNANCE**TRACK A****Date** Monday, Dec 12**Time** 08:15 - 09:30**Developmental****Room** Room 211**Session Chair:** Daniel Han Ming Chng, *China Europe International Business School***Equity Financing Decisions, Change of Control Rights, and the Performance of Firm Investment Strategy**Chiung-Jung Chen, *Chung Yuan Christian University*

Substantial literature implicitly regard financing decisions and investment strategies as independent decisions, and focus on their studies on the impact of financing decisions or investment strategies on firm performance, respectively. Different from previous studies, Different from previous studies, this study argues that financing decisions and investment strategies could be related. Thus, by examining the unique agency problem of Asian economies, this study uses the agency theory to explore the connections between external financing decision, change of control rights, and the performance of firm investment strategy.

Influence of Inter-firm Governance on Alliance Performance: An Empirical Analysis in the Japanese ContextHiroshi Yasuda, *Aoyama Gakuin University*

This study aimed to clarify the process by which inter-firm governance influences alliance performance by classifying the governance forms into equity governance, contractual governance, and relational governance as well as analyzing the roles of mediating factors (opportunistic behaviors, conflicting interests, synergy effects, and learning effects) involved in this relationship. As a result, it was clarified that contractual governance has a positive influence on alliance performance through the control of opportunistic behaviors and conflicting interests; however, the effects of the enhancement of synergy effects and learning effects are not significant. On the other hand, it was clarified that relational governance has significant effects on alliance performance through all of these four mediating factors, while equity governance has no effects on alliance performance.

Institutional Logics in Family Firms: What Drive Conformity and Divergence in Board Composition?Tara Shankar Shaw, *Indian Institute of Technology Bombay*Lerong He, *State University of New York at Brockport*

This paper examines conformity and divergence in board composition of Indian public firms by focusing on different adoption modes between family firms and non-family firms and between various types of family firms. Using sample firms in the Bombay Stock Exchange 500 Index between 2006 and 2012, we find that family firms, firms with more interlocked directors serving on firms having more independent boards, and firms whose industry leader's board is more independent are all associated with a larger proportion of independent directors. Importantly, we find that family management mitigates normative and mimetic isomorphic pressures and weakens the above-mentioned relationship. Our additional analysis also suggests that such a moderating relationship holds not only for family-controlled and family-managed firms but also for family-controlled none family-managed firms.

Korean Style ManagementStephen In-ho Kim, *Hanyang University*Byung-Yoon Michael Lee, *Korea Polytechnic University*

Korea's upheaval driven by Korean conglomerate, Chaebol Structure during the last 5 decades (1965-2015) must be likely a something from nothing. However, 13 among 30 Chaebol Structure became bankrupted just after the Asian financial crisis in 1997, but the surviving ones have been leading Korea's economy to G13 from far beyond G100 by defending well even in the global economic crisis. With these recognitions, this paper attempts to make sure that the surviving Chaebol Structure have done such accomplishment by carrying out Korean Style Management,

which embraces 'dynamic management view' as logic of profit seeking in a dynamic environment by adapting to technological change and needs evolution through needs-focused innovation and 'harmony of ownership and management' as corporate governance through Centralized Decision-Making & Decentralized

The Silent Implementation of Controversial Practices: Korean Firms' Alternative Forms of DecouplingSookyoung Lee, *Northwestern University*Edward Zajac, *Northwestern University*

While studies of the diffusion of controversial practices have uncovered how and why firms decouple their public adoption of the practice via non-implementation, we introduce the analysis of a second possible form of decoupling that involves implementing a controversial practice with their adoption decision kept publicly silent. We thus expand the analysis of diffusing practices to consider four distinct options: substantive adoption (to say and do), substantive rejection (to not say or do), symbolic adoption (to say but not do), and silent implementation (to not say but do). Using a sample of large South Korean firms after the Asian financial crisis, we test how prior firm performance and board of director characteristics shape firms' choices about these four possible options for corporate downsizing.

Adaptation and Multiple Institutional Pressures: Korean Manufacturing Firms' Response to Post-Crisis ReformSeung Hoon Lee, *University of Illinois at Urbana-Champaign*E Geoffrey Love, *University of Illinois at Urbana-Champaign*

Internal coherency and cross-temporal consistency are important yet often neglected criteria for organizations dealing with multiple institutional pressures. Under these criteria, we develop propositions for effective management of multiple institutional pressures with emphasis given to decisions concerning adoption of human resource practices during institutional change. The first set of hypotheses highlight how adoption of certain practices that undermines coherency and consistency unintentionally thwart adaptation, while others, on the contrary, have positive adaptive consequences. The second set of hypotheses tests the validity of our proposed criteria by identifying factors that lead to more beneficial or harmful adoption of newly rationalizing practices. The hypotheses are tested using a representative sample of Korean manufacturing firms during the period of institutional change triggered by the 1997 Asian Financial Crisis.

SESSION 348

STRATEGIZING ACROSS INTERNATIONAL BOUNDARIES**TRACK A****Date** Monday, Dec 12**Time** 08:15 - 09:30**Paper****Room** Lecture Theatre 4**Session Chair:** Björn Ambos, *University of St. Gallen***Context Matters – The Role of Culture in Employing Justice to Achieve MNC Alignment**Nina Zobel, *University of St. Gallen*Björn Ambos, *University of St. Gallen*

Cultural context matters within the context of employing organizational justice to achieve MNC alignment – this study examines this claim by first analyzing the relationship between the four dimensions of organizational justice and MNC alignment; and second, by exploring whether individuals' fairness perceptions in the organizational setting are culture-bound and what influence these culturally-based differences in fairness perceptions have on this relationship. The study thereby offers new insights for both academia and practice, in showing that the cultural context matters in MNC management. Organizational justice is thereby introduced as a valid means for HQ to align their internationally-dispersed subsidiaries when keeping in mind culturally distinct fairness attitudes.

Dynamics of the Subnational Regional Effect: Evidence from China

Haibing Shu, *Hong Kong University of Science and Technology*

V. Brian Viard, *Cheung Kong Graduate School of Business*

Previous studies document the cross-sectional importance of subnational regional effects in firm performance for multinational firms' foreign affiliates. We extend these by studying the dynamics of these effects over time for manufacturing firms of all ownership types. Regional effects are significant and increase over time even while China develops and globalizes. Decomposing regional effects into economic, social, and political institutions helps explain this counterintuitive upward trend consistent with the institution-based theory. We provide a theoretical basis for the dynamic role of institutions that emphasizes the role of relative prices in determining their effect on firms. Our results suggest that it is important to understand local institutions and that their importance can persist even as an economy develops consistent with institutional path-dependency.

Social-Economic Tension of MNC Expansion in Emerging Markets

Meng Zhao, *Renmin University of China*

Xufei Ma, *Chinese University of Hong Kong*

Seung Ho Park, *China Europe International Business School*

Balancing economic returns and social externalities is becoming a serious strategic consideration for multinational corporations (MNCs) to expand in emerging markets considering the rise of local stakeholder challenges. This research enriches the existing studies of MNC internationalization by specifying how MNC strategies and within-country institutional heterogeneity explain the social outcome of MNC expansion in emerging markets. We found that an MNC is more likely to encounter a consumer-initiated public crisis if the expansion: 1) is rapid or irregular; 2) weights to industries with higher government intervention; 3) weights to regions with higher NGO activism. We also revealed that the Host-Country-Headquarter, as a platform to channel international attention to local stakeholder relationships, can effectively counterbalance the positive impact of these expansion patterns on public crisis occurrence.

Does Subnational Cluster Matter? The Dynamics of Formal Institutions and Foreign Affiliate Performance

Chao Niu, *University of Hong Kong*

Christine Chan, *University of Hong Kong*

This study regards the subnational cluster, consisting of geographically proximate subnational regions, as an important geographical boundary that affects foreign affiliate performance. We examine the between- and within-subnational-cluster differences in the temporal and spatial dynamics of formal institutions, i.e., the institutional development and institutional imbalance, and their effects on foreign affiliate performance. Using a sample of foreign affiliates in 31 subnational states within 7 subnational clusters of China during 1998-2008, our study shows that foreign affiliate performance increases in the subnational cluster with better-developed or less-imbalanced formal institutions, and in the subnational state with relatively medium-developed or relatively less-imbalanced formal institutions within the subnational cluster.

SESSION 353

INSTITUTIONS, SOCIAL TIES, AND INNOVATION

TRACK B	Date	Monday, Dec 12
	Time	08:15 - 09:30
Paper	Room	Room 201

Session Chair: Alex Makarevich, *ESADE Business School*

A Behavioral View of 'Bad-Assets': Uncertainty and Expectations of Banks in India

Siddharth Natarajan, *National University of Singapore*

Why do banks acquire 'bad assets'? Prior research on this issue links the problem mainly to poor management and moral hazard. However these explanations may be insufficient, especially in emerging markets, because

the causes of 'poor management' are not specified and the chances of moral hazard are limited as banks are often state-owned and highly-monitored. This paper departs from prior literature to put forth a behavioral argument that rests on notions of how firms deal with uncertainty. By drawing on behavioral theory, I argue that banks are uncertain about the intentions of firms to repay, avoid making decisions under uncertainty and consequently, stack-up bad loans. In doing so, I examine the antecedents of the 'tipping point' beyond which banks take measures to resolve their problems.

★ Status, Tenure, and Adoption of Norm-Deviant Practices in Relational Markets

Alex Makarevich, *ESADE Business School*

Jesper Edman, *Hitotsubashi University*

This paper explores how status impacts the organizational propensity to adopt norm-deviant practices in relational markets, i.e. those characterized by deep embeddedness and network governance, such as East Asian markets. We argue that in relational markets status plays a primary role in guiding firms' adoption behavior. The effect of status on adoption of norm-deviant practices is moderated, however, by organizational tenure in the market. Using an original dataset, we find support for our hypotheses in the highly networked domestic Japanese banking industry. The results have important implications for current conceptualizations of status and its effects on organizational behavior.

Informal Economy, Institutional Voids, and the Role of Intermediary in Empowering Street Vendors in India

Chintan Kella, *LUISS Guido Carli University*

Kerem Gurses, *LUISS Guido Carli University*

Tomislav Rimac, *LUISS Guido Carli University*

Karynne Turner, *LUISS Guido Carli University*

In this paper, using an institutional theory perspective, we contribute to the body of knowledge about the process of transition from informal to formal economy through the study of SEWA's/NASVI's involvement in empowerment of street vendors in India. By situating our research in the context of institutional voids and deep poverty, we draw attention to the role of intermediary in empowering of disempowered actors in an informal economy. Through our case study, we identify three processes through which the non-marginalized actor achieves empowerment of the street vendors: (i) creation of collective identity among street vendors; (ii) regulatory entrepreneurship that involves initiating and influencing creation of national laws regulating street vendor activities; and, (iii) making sure that the law becomes available and meaningful to the vendors.

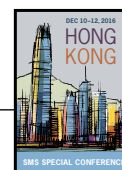
A Meta-analysis of Social Capital Between China and the West

Hongjuan Zhang, *Tianjin University*

Liang Wang, *University of San Francisco*

Rong Han, *Tianjin University of Finance and Economics*

The mixed empirical results on the impact of social capital call for a better understanding of contingency factors such as culture. We attempted to conduct a meta-analysis to test whether and how social capital functions similarly or differently between China and the West. Both network centrality and structural holes are positively related to performance, but the impact of network centrality is stronger in China, and the impact of structural holes is only significant in the West. The preliminary findings suggest that network centrality is more effective in China, whereas structural holes play a more important role in the West.



SESSION 380

INNOVATION: ORGANIZATIONAL LEARNING

TRACK C	Date	Monday, Dec 12
	Time	08:15 - 09:30
Paper	Room	Lecture Theatre 8

Session Chair: Pek-Hooi Soh, *Simon Fraser University*

External Learning and NPI in High-tech Industries: Moderating Role of Implementation Speed and Process Control

Fang Qian, *University of Macau*

Linda Chen, *University of Macau*

Previous work on organizational learning's driving role in new product innovativeness (NPI) has focused either on learning as a whole or internal learning. Meanwhile, implementation issue of organizational learning strategy towards innovation performance has been less emphasized by scholars. Based on a dichotomy of knowledge content, this study examines how two types of external learning (i.e. technical learning and managerial learning) affect NPI, and further assesses whether such effects are conditional on implementation speed and Process control. Our research aims to add values to interpret innovation oriented organizational learning via a contingency perspective of implementation in emerging market, such as China.

Does Prior Experience Affect Venture Strategies? The Moderating Role of Learning Behavior

Song Lin, *Central University of Finance and Economics*

Yasuhiro Yamakawa, *Babson College*

Literature on habitual entrepreneurs has emphasized that previous entrepreneurial experience affects subsequent entrepreneurial behaviors and that habitual entrepreneurs tend to learn from prior experience. These two points are the focus of the paper. Building on the theory of sensemaking, we examined the effects of prior failure on subsequent change in venture strategies, as well as the moderation from habitual entrepreneurs' learning behavior. Using a sample of 240 habitual entrepreneurs, we found that a prior failure exerts a negative effect on changes in differentiation strategy, whereas learning behavior strengthens this relationship. Results also showed that prior strategy exerts a negative impact on the change in strategy for habitual entrepreneurs with failure experience, whereas learning behavior weakens this relationship.

The Inventors' Search Strategy in the Networks: An Empirical Study of Huawei

Han Xu, *Tsinghua University*

Yi Wang, *Tsinghua University*

Pek-Hooi Soh, *Simon Fraser University*

In 2014, China overtook US in terms of the total number of researchers. While existing studies have examined the patterns of R&D and science-technology linkages in China, no study has investigated how inventors in Chinese companies develop their research capability and perform. Among the top homegrown science and technology companies in China, Huawei has committed a significant amount of resources to improving the company's innovation capability. In tracing the history of Huawei's innovation performance, we find a sharp growth in Huawei's patent portfolio, with more than 30,000 patents granted worldwide since 2000. In this study, we investigate how Huawei's inventors search and reuse knowledge and whether their respective positions in the patent and the inventor networks inside the firm influence their search behavior.

When Does In-licensed Technology Facilitate Technological Exploitation and Exploration by Chinese Firms?

Yuandi Wang, *Sichuan University*

Ying Li, *Technical University of Denmark*

Prior research has suggested that licensee firms can use technology licensing to exploit or to explore. This study investigates technology licensing in China to answer the question of under which conditions technology licensing can facilitate a licensee firm's exploitation and exploration activities. Building on an extended resource-based view of firms, this study posits that a firm's ability to benefit from inward technology licensing is a function of three key factors: the opportunities presented by the licensed technology, the ability of the firm to absorb licensed technology and integrate it with its own knowledge base, and the regional knowledge base that is locally available to the firm. A sample of 508 Chinese firms is employed to test these hypotheses.

SESSION 381

INNOVATION IN EMERGING MARKETS: INSTITUTIONAL PERSPECTIVE

TRACK C	Date	Monday, Dec 12
	Time	08:15 - 09:30
Paper	Room	Lecture Theatre 7

Session Chair: Jason Lu Jin, *University of Hong Kong*

Institutional Forces and Customer Participation: Moderating Roles of Local Resources

Liwen Wang, *University of Hong Kong*

Jason Lu Jin, *University of Hong Kong*

Customer participation in new product development has received increasing attention from scholars and practitioners in recent years. However, our knowledge of how institutional forces affect firms' customer participation is still limited. Following the institutional-based view, we investigate how emerging market institutional environments- legal inadequacy and dysfunctional competition- influence customer participation in NPD. We propose that legal inadequacy negatively relates to customer participation, whereas dysfunctional competition positively affects customer participation. Further, the institutional effects are moderated by firms' possession of local resources, namely local origin and local experience. Local origin would moderate the effect of legal inadequacy on customer participation, but not that of dysfunctional competition; whereas local experience only affects the role of dysfunctional competition, but not the effect of legal inadequacy on customer participation.

Political Networks Norm Heterogeneity and Innovation in Emerging Markets: A Political Embeddedness Perspective

Jie Wu, *University of Macau*

Rajeev Sawant, *City University of New York*

Do political connections (PC) affect innovation in emerging markets? Prior PC research focuses on PC as transactional exchange which is insufficient to understand innovation. Drawing on the political embeddedness perspective, we examine the antecedents and innovation consequences of political network norms. We differentiate PC through norm heterogeneity into bureaucratic (BPC) and legislative (LPC) political networks. We theorize that BPC norms imprint on embedded firm CEOs encouraging an internal focus, narrow domain focus, high risk aversion, rule following, and short term temporal focus which hampers innovation. LPC norms encourage an external focus, exposure to diversity, greater risk taking, openness to change and long term temporal focus which fosters innovation. Greater market development reduces the influence of political norms. Our empirical analysis finds support for our theory.

Ambidexterity in International Joint Ventures: Moderating Roles of Institutional and Relational Factors

Jason Lu Jin, *University of Hong Kong*

Kevin Zhou, *University of Hong Kong*

Integrating institutional and relational views in the ambidexterity literature, we develop a framework suggesting that institutional distance and coordination mechanisms between foreign and local partners could shape the relationship between ambidexterity and IJV new product performance. Collecting both primary and secondary data from a sample of 198 IJVs in China, our research findings reveal that political distance strengthens the effect of ambidexterity on IJV new product performance, whereas cultural distance does not condition the ambidexterity-IJV new product performance relationship. In addition, we find that relational coordination facilitates the success of ambidexterity. In contrast, contractual coordination could hinder the implementation of ambidexterity in IJVs. We contribute to the theory and practice by developing a rich explanation of the effectiveness of ambidexterity in the context of IJVs.

Impact of Technology Complexity and Project Resources on Innovation Performance

Sarah Cheah, *National University of Singapore*

Cristiano Bellavitis, *National Research University*

Prior research is inconclusive in determining whether technology complexity leads to higher or lower innovation performance and how various types of organizational resources contribute to performance. Building on the resource-based theory (RBT), we examine how the technology complexity of research commercialization projects between public research institutes and firms impact their collaborative innovation performance. We determine how human capital, financial, network and senior management resources moderate the technology complexity-performance relationship. Our results indicate that the relationship is inverted U-shaped and moderated by firms' resources. We find firms with higher human capital, senior management and network resources are better positioned to cope with complex technologies. However, investing abundant human capital and network resources in low-complexity technologies reduce performance. Surprisingly, financial resources do not have significant moderating effect.

SESSION 359

STRATEGIC NETWORKING

TRACK D	Date	Monday, Dec 12
	Time	08:15 - 09:30
Paper	Room	Lecture Theatre 6

Session Chair: Yonghoon Lee, *Hong Kong University of Science and Technology*

Individual's Strategic Networking in Digital and Asian Contexts: Its Effects on Creative Problem Solving

Alejandra Marin, *Solbridge International School of Business*

Brock M. Stout, *SolBridge International School of Business*

Shujun Zhang, *Sun Yat-sen University*

Social networking has long been critical to the success of individuals in the marketplace, and has been more recently revitalized through online technologies. People care about their online self-presentation and can be highly strategic in networking. However, preliminary research in strategic social networking suggests that people might feel uncomfortable when engaging in such a style. This is concerning given the foundational idea that social contacts can be materialized for individual gains. This proposal aims to cast light on these seemingly contradictory ideas. We build on social exchange theories in the Chinese context to theorize under what circumstances strategic (vs. expressive) social networking and individuals' online images can generate positive feelings, which positively affect creative problem solving. We propose three experiments to test our hypotheses.

Gender Differences in Networking Behavior

Olga Zarzecka, *Hong Kong Polytechnic University*

Marie Louise Mors, *Copenhagen Business School*

Access to resources through professional networks is important for a variety of performance outcomes, yet the actual content transferred through network ties is rarely observed. We theorize about how gender affects the amount and extent of resources provided in professional networks. We test hypotheses using unique data on 678 ties of 48 senior executives. We find that relationships between men are more likely to give access to a higher number of resources, but to a lesser extent. Whereas dyadic relationships between women are more likely to give access to fewer resources, but to a greater extent. These results suggest that men and women have distinct strategies for sharing resources through their networks. Yet neither strategy seems clearly superior as both result in exclusive benefits.

Control and Conceal: Open Networks and Leveraging Foreign Copyrights Among the K-pop Songwriters

Yonghoon Lee, *Hong Kong University of Science and Technology*

In creative industries, leveraging ideas from foreign countries can enhance the novelty of a cultural product and therefore its success in the market. However, doing so might undermine the artistic integrity, or the authenticity, of the artists, because the idea is not original. In this paper, we draw on network perspective and address how artists in creative industries navigate such a tension. Specifically, we argue that artists facing less constraints in their network structure are more likely to adopt foreign ideas. Using a unique dataset of the collaborations among K-pop songwriters, we find supportive evidences.

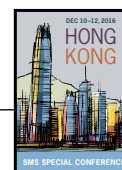
Understanding the Status Downgrades of post-IPO Firms: Effects of Performance, Embeddedness, and Imprinting

Masaru Karube, *Hitotsubashi University*

Daisuke Uchida, *Kyushu University*

Ilir Haxhi, *University of Amsterdam*

We explore the micro-level determinants of status downgrades of post-IPO firms. We highlight three factors that could affect the status downgrades indicated by dissolution of market relationships with higher-status audit firms: performance (solvency of IPO firm), embeddedness (ongoing relationships with partners working during the initial audit engagement), and imprinting (initial relationships with experienced partners). We test our predictions on a unique longitudinal dataset of market transactions between post-IPO firms and audit firms between 1999 and 2014 in Japan and find support for our hypotheses. Our results suggest that, while poor performance leads to status downgrades, maintaining personal relationships with initial engagement partners and working with experienced partners at the beginning of the relationship can help entrepreneurs avoid status downgrades.



SESSION 331

ENTRY STRATEGIES OF EMERGING MARKET FIRMS**TRACK E**

Date Monday, Dec 12
Time 08:15 - 09:30
Room Lecture Theatre 5

Paper

Session Chair: Changqi Wu, *Peking University*

Daring Risk: MNE's Overseas Subsidiary Ownership Choice and Home-Host Country Political Relations

Gulinazi Dalashi, *Peking University*

Changqi Wu, *Peking University*

Based on previous studies on the determinants of MNE subsidiary ownership strategy which typically look at indicators of host or home country, we consider the home-host country political relations as an important factor influencing the relationship between host country risk and MNE's choice of ownership of this subsidiary in that country. Furthermore, by taking MNE state ownership and political connection as the moderator for political relation's moderating role, we demonstrate that the moderating role of home-host political relations on the relationship between host country risk and MNE's overseas subsidiary ownership choice is conditional on the MNE government ownership and political connection.

Which Product Segments in a Host Country do Foreign Firms Enter?

Tuofu Jin, *Australian National University*

Alex Eapen, *Australian National University*

In this paper, we examine the drivers of product segment entry decisions of internationalizing firms. We develop competing predictions from strategic momentum and mutual forbearance perspectives for which product segments foreign firms will choose to enter in a host country. We then test these predictions using data on foreign automobile firms in the US. Examining the product segment entries of this cohort over 1980 - 2015, we find support for our arguments based on mutual forbearance, but not for those based on strategic momentum.

★ How Different Are Emerging Market Multinationals? A Comparative Study of Cross-border M&As and Integration Strategies

Lisa Tang, *University of Pennsylvania*

Minyuan Zhao, *University of Pennsylvania*

The surging cross-border M&As by emerging market multinationals (EMNEs) have attracted much attention in both media and academia. Yet, the label "EMNE" simultaneously represents three dimensions: (1) They usually come from countries with relatively weaker institutions; (2) They are usually the first generation from their home country to expand abroad; and (3) They themselves have limited international business experience. In this paper, we try to disentangle the country-, cohort-, and firm-level drivers underlying the observed managerial turnovers in the target firms post M&As. With a large sample of 1,913 cross-border M&As, we found supportive evidence that the home-country effect is gradually cancelled out as the firms accumulate experience over time. This is an important step towards a deeper understanding of what EMNEs truly represent.

The Halo Effect for Emerging Economy Firm's Cross Border Acquisition Performance: Competitive Dynamics and Cross-Listing

Anupama Phene, *George Washington University*

Yinuo Tang, *University of Hong Kong*

Reid Click, *George Washington University*

Ravi Madhavan, *University of Pittsburgh*

Our study explores the intersection of signaling theory and competitive dynamics to evaluate the implications of perceived performance from cross-border acquisitions. We examine how the performance of cross-border acquisitions by the non cross-listed firm is influenced by the cross listing of its rivals. By integrating signaling theory with the competitive dynamics literature, we propose that cross-listing by rivals results in a halo effect for the focal firm, enhancing its performance. A sample of 938 cross border acquisitions by emerging economies firms supported our hypotheses. Our result further showed that the halo effect is enhanced by the proximity of the rivals and is weakened when time elapses after rivals' cross-listing.

SESSION 393

INTERNATIONALIZATION: BENEFITING FROM OPPORTUNITIES IN ASIA

TRACK Y	Date	Monday, Dec 12
	Time	09:45 - 10:45
Plenary Panel	Room	Lecture Theatre 1

Internationalization: Benefiting from Opportunities in Asia**Session Leader**

Gongming Qian, *Chinese University of Hong Kong*

Panelists

Richard Lee, *Baidu*

Jeffrey Reuer, *University of Colorado, Boulder*

Oded Shenkar, *Ohio State University*

Stephen B Tallman, *University of Richmond*

The Asian economies are continually an engine of global economic growth. Studies emphasizing on challenges of internationalization in the dramatically changing area, strategic options for firms to maintain sustainable development, and other related topics are fruitful for strategy scholars to contribute both the theoretical development and practical implications. To address those issues embedded in the internationalization process, especially targeting at Asia, this plenary session serves as a modest spur to induce more scholars to examine this most fundamental while influential strategic issue within the highly dynamic institutional environment. To ensure a multifarious and productive achievement, it's a great honor to have three knowledgeable and renowned academics and practitioner to present the discussion in a comprehensive structure from diversified perspectives.



GONGMING QIAN is former Chair of the Department of Management at The Chinese University of Hong Kong. He received his Ph.D. in International Business/Management from Lancaster University, England. His research interests include the financial economics of multinational enterprises and foreign direct investment, international strategy, and entrepreneurship. He has been published widely in peer reviewed academic journals including

Entrepreneurship Theory and Practice, *Journal of Business Venturing*, *Journal of International Business Studies*, and *Strategic Management Journal*. He is co-editing a *Journal of International Business Studies* special issue and a *Journal of Management Studies* special issue to be published in 2017 and 2018, respectively. He serves on the editorial board of *Journal of International Business Studies*.



RICHARD LEE graduated from the Guangzhou University of Foreign Languages & Foreign Trade in 1992 with an MA degree and became an English lecturer at the PLA Foreign Languages University based in Luoyang, Henan Province, China. He was the spokesperson of the PLA Hong Kong Garrison starting in 1997, and later worked at Huawei Technologies in the telecommunications industry for over 9 years.

Richard joined Baidu in 2011, and is now Director of International Business Development & Global Marketing in Baidu's Global Business Unit.



JEFFREY J. REUER is the Guggenheim Endowed Chair and Professor of Strategy and Entrepreneurship at the University of Colorado. His research uses organizational economics to investigate firms' external corporate development activities. Recent projects are on the governance and design of alliances, collaborative strategies, and applications of information economics and real options theory to various corporate and international strategy

problems. He is an Associate Editor of the *Strategic Management Journal* and a co-editor of a *SMJ* special issue on the interplay of competition and cooperation, as well as a co-editor of a special issue on international collaborations at the *Global Strategy Journal*. He was a co-founder of the Cooperative Strategies Interest Group and was a program chair of two SMS conferences.



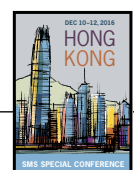
ODED SHENKAR is Ford Motor Company Chair in Global Business Management and Professor of Management and Human Resources at the Fisher College of Business, Ohio State University. He holds degrees in East-Asian Studies and Sociology from the Hebrew University and a PhD from Columbia University. Professor Shenkar published more than 100 articles in journals such as *AMR*, *AMJ*, *JAP*, *JIBS* and *HBR* as well as numerous books, most recently *The Chinese Century* (Wharton) and *Copycats* (Harvard). An AIB Fellow, he has been cited in *The Wall Street Journal*, *Financial Times*, *New York Times*, *the Economist*, *China Daily*, *CNN*, *BBC* and *CCTV*.



STEPHEN B. TALLMAN is the E. Claiborne Robins Distinguished Professor of Business at the University of Richmond. He became an Associate Editor of *SMJ* in 2007 and is currently co-editor of *Global Strategy Journal*. He has authored or edited three books relating to international strategy, and has published numerous book chapters and journal articles in a variety of outlets including *AMR*, *AMJ*, *SMJ*, *JMS*, *CMR*, *MIR*, *JIM*, and *JIBS*. His research interests

include global outsourcing, international diversification, industry clusters, knowledge transfer in multinational firms, and international alliances and joint ventures.

10:45 – 11:15
MORNING TEA BREAK



SESSION 342

ENTREPRENEURSHIP AND FAMILY FIRMS

TRACK A	Date	Monday, Dec 12
	Time	11:15 - 12:30
Paper	Room	Lecture Theatre 5

Session Chair: Peter Klein, *Baylor University*

Chinese Firms Entrepreneurial Behavior during the GFC: Effect of Family Control Intention and Monitoring Intensity

Sanjay Goel, *University of Minnesota Duluth*

Yuanyuan Sun, *University of Minnesota Duluth*

Bridging insights from entrepreneurship, family business, and corporate governance, we investigate the entrepreneurial behavior (specifically, likelihood of increase in investment and employment) among Chinese firms during the Global Financial Crisis, contingent on whether the owner wished to pass on the firm to the next generation, and the degree of monitoring intensity via corporate governance. We found that the likelihood of increase in investment was positively associated with the equity held by owners. Higher degree of monitoring reduced both likelihood of increase in investment and employment, suggesting that monitoring made the owners more conservative in their behavior. However, when owners had intention to pass on the firm to the next generation, it ameliorated the negative effect of monitoring on likelihood of increasing employment.

Genealogically Localized Competition: Organizational Sibling Rivalry and Spinout Firm Survival

Joo Hyun Oh, *Seoul National University*

Sun Hyun Park, *Seoul National University*

This study combines ecological theories of localized competition and firm genealogical origin to propose a model of “genealogically localized competition”. We argue that genealogical density – crowding in the resource niche by organizational siblings and their birth order – significantly influences the level of sibling rivalry and thus the survival likelihood of spinouts. Moreover, genealogical network structure of spinout founding teams, i.e. bonding vs. bridging ties between the parent and spinout firms, determines the nature of firm-specific resource transfer from parents. We further argue that the influence of genealogical network structure on spinout survival is contingent on the level of genealogical density. Using the empirical context of active spinouts among Korean law firms, we offer distinct contributions to prior ecological studies on competition and entrepreneurship.

★ Is Blood Thicker than Water? Sibling Rivalry and Strategic Change in Family Business Groups

Seok Jin Ko, *Seoul National University*

Sun Hyun Park, *Seoul National University*

This paper emphasizes the relational aspect of competitive dynamics to investigate the rivalry that is inherent between sibling executives within family owned business groups. We examine how the strategic change pursued by a family member executive prompts his sibling executive to respond and also enact strategic change at another group-affiliated firm. We further explore how the similarity of sibling executives in terms of potential managerial capabilities strengthens this relationship due to the increase in reference group salience and enhanced social comparison. Lastly, we investigate how the abundance in resource niche availability for family executives weakens the effect of sibling rivalry on strategic change. Our empirical research utilizing listed family-controlled firms in Korean business groups (chaebols) provides strong support for our theoretical perspectives.

Understanding Concentrated Ownership Structure of Chinese Privately Owned Enterprises

Jingjing Wang, *Beijing Information Science and Technology University*

Peter Klein, *Baylor University*

Based on a series of nationwide surveys conducted on privately owned enterprises (POEs) in China, this paper explores the determinants of concentrated corporate ownership from the perspective of the founder-

owner's political connections. Politically connected entrepreneurs have an incentive to retain control of their firms to exploit these connections, leading to more concentrated ownership structures. At the same time, politically connected entrepreneurs prefer diffusely held, Western-style firms due to the pressure of legitimacy building. We hypothesize a U-shaped relationship between the strength of the founder-owner's prior political ties and ownership concentration by combining the efficiency and legitimacy effects, and present evidence consistent with this relationship. The paper contributes to the literature by analyzing the antecedents of ownership concentration for non-listed POEs in China's unique institutional environment.

SESSION 354

INSTITUTIONS, STRATEGY, AND GOVERNANCE

TRACK B	Date	Monday, Dec 12
	Time	11:15 - 12:30
Paper	Room	Lecture Theatre 4

Session Chair: Srinath Rengarajan, *University of St. Gallen*

Institutions and Internationalization: Evidence from Asian Firms

Asda Chintakananda, *National Institute of Development Administration*

Brian R. Tan, *B.R.I.T. Management Consulting*

This paper examines how institutions of Asian countries influence transaction costs and firm resources leading to different international performances. The paper proposes that Asian firms will have a stronger performance abroad when their own countries' institutions are well developed. We further propose that for countries with political institutions that are well developed, the performance level will be weakened for firms from countries that have high levels of collectivism and uncertainty avoidance. However, for countries with legal institutions that are well developed, the performance level will be weakened for firms from countries that have high levels of collectivism, but stronger for high levels of uncertainty avoidance. Empirical analysis on firms from nine Asian countries provided support for the hypotheses.

Leveraging Social Capital for Strategy Formulation: Lessons from Practice in Three Institutional Contexts

Srinath Rengarajan, *University of St. Gallen*

Ulf Richter, *International University of Grand Bassam*

Roger Moser, *University of St. Gallen*

It is well established that social capital has many benefits, including access to information and resources, for organizations and individuals. However, the mechanisms through which managers activate their ties to leverage such benefits are still not well understood. In this paper, we study how managers activate their social capital to identify relevant information and build new frameworks for formulating competitive strategies. A comparative study of managers from Germany, India, and China is expected to provide deeper insights into the specific information gathering activities and kinds of social capital that managers use to formulate their competitive strategies. Further, we make an attempt to provide institutional explanations to the mechanisms employed by managers in their respective country environments.

The Faces of Dyadic Governances: Joint Trust, Trust Asymmetry, and Exchange Performance

Mengyang Wang, *University of Hong Kong*

Kevin Zhou, *University of Hong Kong*

The study examines two distinct dimensions for interorganizational trust: joint trust and trust asymmetry. While joint trust generally promotes exchange performance in buyer-supplier relationship, trust asymmetry could function in a different way. Specifically, when the buyer trusts more than the supplier, the asymmetric situation decreases exchange performance. We also investigate boundary conditions for the effects. When there is high joint asset specificity or more buyer specific assets, joint trust becomes more valuable in improving exchange performance, while the effect of buyer trust asymmetry turns into even more adverse. High supplier market uncertainty also enhances the positive effect of joint trust, while exacerbates the negative effect of buyer trust asymmetry.

The Rich Get Richer?: Entrepreneurs' Socio-Economic Status And Expropriation Hazards In China

Jiatao Li, *Hong Kong University of Science and Technology*
 Jieyu Zhou, *Hong Kong University of Science and Technology*
 Lipeng Ge, *Hong Kong University of Science and Technology*
 Subramanya Prasad Chandrashekar, *Hong Kong University of Science and Technology*

Contrary to previous studies focusing on the injustice that the rich might bring about to the poor because of economic inequality, in this study we show that injustice might also exist for private entrepreneurs with high socio-economic status due to the political inequality in China. Specifically, private entrepreneurs and their firms who have lower structural power in the political system are prone to the expropriation by self-serving government officials with higher political power. In regions with higher level of inequality and lower level of market development, private enterprises with high SES entrepreneurs are extracted even more.

SESSION 385

ENTREPRENEURSHIP: CORPORATE GOVERNANCE IN NEW VENTURES

TRACK C	Date	Monday, Dec 12
	Time	11:15 - 12:30
Paper	Room	Lecture Theatre 6

Session Chair: Sam Garg, *Hong Kong University of Science and Technology*

Venture Boards: Impact on Firm Innovation

Sam Garg, *Hong Kong University of Science and Technology*
 Michael Howard, *Texas A&M University*
 Emily Cox Pahnke, *University of Washington*

While innovation is critical to the success of new ventures, research on corporate governance and entrepreneurship have yet to explain fully how boards of directors influence key innovation outcomes. We focus on venture capital (VC)-directors and corporate venture capital (CVC)-directors as key board constituencies that shape a venture's innovation. Through a longitudinal study of new ventures launched in the minimally invasive surgical devices industry spanning 520 firm-year observations, we find that CVC-directors have a positive effect on ventures' development of higher quality knowledge but a negative effect on product launch. In contrast, VC-directors divert the emphasis of the venture away from developing higher quality knowledge and toward product launches. When both director types are present, the objectives of the VC-directors prevail.

Undervaluation of Directors and Firm Innovation Search Behavior

Qiang Li, *Hong Kong University of Science and Technology*
 Bo Zhao, *University of Hong Kong*

For directors, chair appointments represent the primary valuation and recognition of their value on company board. From the social exchange perspective, the chair appointment creates the possibility of under-valuing certain directors, i.e., not assigning chair positions to those who deserve them most based on their qualification. As a result, undervalued directors have dissatisfaction and negativity and become uncooperative in strategic decision-making that needs support from them. Based on a sample of high-technology IPO firms that went public from 2004 to 2007, we follow their innovation search behavior five years after their IPO using backward citations of filed patents. Our preliminary results show that the undervaluation of directors leads to more exploitation and less exploration and this effect is stronger in smaller firms.

Unpacking the CEO-Board Relationship in Entrepreneurial Firms

Sam Garg, *Hong Kong University of Science and Technology*
 Kathleen Eisenhardt, *Stanford University*

We examine how venture CEOs effectively engage their boards in the strategy-making process. Using the inductive multiple-case study approach, we track CEO-board interactions through board meeting observations and rich interview access to CEOs and their boards. A primary contribution is a process theory of governance that clarifies how CEOs resolve the resource v. power tradeoff that emerges as central to the CEO-board relationship via 4 specific behaviors. Further, we present a fresh vision of the relationship: role-flip between the CEO and directors, strategy-making (not monitoring) as the driver of firm performance, and boards as CEO-director dyads (not groups). Overall, we deepen the conversation on resource dependence theory by addressing process and power, and move the corporate governance conversation from effective boards to effective CEOs.

Top Management Teams' Psychological Ownership, Family Involvement and Nepotism for Corporate Entrepreneurship in Korea

Kyootai Lee, *Sogang University*
 Marianna Makri, *University of Miami*
 Terri Scandura, *University of Miami*

The focus of this study is how TMTs' psychological ownership may influence CE in the context of Korean family owned companies. We propose that family involvement and nepotism may hamper the top management teams' (TMTs) development of psychological ownership towards the organization and the job which in turn would negatively affect the TMT's desire to take the risks required for CE. Korea is an ideal context in examining these questions because family members tend to actively participate in running their business. We believe that this study can help family firms take better advantage of the benefits that come from family involvement while reducing their detrimental effects on TMTs' psychological ownership and CE.

SESSION 360

MANAGING ENTREPRENEURSHIP

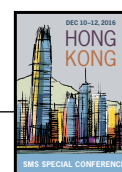
TRACK D	Date	Monday, Dec 12
	Time	11:15 - 12:30
Paper	Room	Room 201

Session Chair: Kevin Au, *Chinese University of Hong Kong*

Imprinting, Institutional Logics, and Performance of Hybrid Organizations: The Case of Social Enterprises

Yingzhao Xiao, *Chinese University of Hong Kong*
 Kevin Au, *Chinese University of Hong Kong*
 Zhen Liu, *Qingdao Technological University*

Institutional logics perspective argues that organizations normatively commit to their prevailing logic(s), whilst imprinting theory argues that organizations will be constrained by their founding conditions. We explore the combined influence of these two perspectives on firm performance using a sample of 230 social enterprises (SEs) from China. The results indicate social imprinting affects SE performance differentially. Further, social imprinting moderates the positive effect of competitor orientation (proxy of business logic) and the negative effect of social orientation (proxy of charity logic) on economic performance more so than on social performance. By connecting social imprinting to institutional logics, this paper furthers our understanding of imprinting and suggests current institutions and founding conditions be accounted for together in research of hybrid organizations.



Strategic Entrepreneurship within Special Economic Zones in Guangdong, China: Effectiveness for Innovation and Resources

Christos Apostolakis, *Bournemouth University*

The importance of perceiving the Asian economies strong as they are in the current economic and social climate cannot be underestimated. In this respect, the role of Special Economic Zones (SEZs) has been considered as paramount. It is this paper's responsibility then to reveal the significance of strategic entrepreneurship (and with that those of innovation and resources) in reflecting the evolution of SEZs alongside the economic revolution in current China and what the implications of this cosmogenesis are. The cases of Shenzhen, Zhuhai and Shantou are provided as typical examples of an entrepreneurial turnaround bound to shake the world in the next two decades or so. This paper is just the beginning of a process of investigation towards a really considerable evolution regarding entrepreneurial activity.

From Hundreds of Explorations to Baidu: An Anti-fragile Growth Perspective for Chinese Internet Companies

Yifei Du, *University of Electronic Science and Technology of China*

Qiong Pan, *University of Electronic Science and Technology of China*

This proposal focuses on the process of anti-fragile growth of Chinese Internet companies. We tend to explore their evolution from small to large, weak to strong, and to reveal the path and rule between the process and the "result". To build an event database, this study collects 500 events from the Chronicle of Events that Baidu Inc. has recorded. The event path analysis method will be applied to analyze the trend of the event path and the characteristics of each stage classified. This research might not only reveal the logical diversity of the dynamic capabilities and the potentiality release of the paradox dynamic equilibrium, but also build the theoretical logic of the anti-fragile growth of Chinese Internet companies.

SESSION 324

OPPORTUNITIES AND CHALLENGES FOR EMERGING MARKET FIRMS GOING ABROAD

TRACK E	Date	Monday, Dec 12
	Time	11:15 - 12:30
Developmental	Room	Room 211

Session Chair: Yinuo Tang, *University of Hong Kong*

The Value of Productivity in Emerging Market Firms' Cross-Border Acquisitions of Developed Market Firms

Yinuo Tang, *University of Hong Kong*

Ravi Madhavan, *University of Pittsburgh*

Cross-border acquisitions are popular tools for multinational firms to create value by obtaining strategic assets and exploiting their productivity advantages in foreign markets. This study suggests that Emerging Market Firms' productivity is critical to their value creation in the cross-border acquisitions of Developed Market Firms, and that acquirers could enhance the returns through cross-listing on advanced stock market and accumulating cross-border acquisition experiences across heterogeneous institutional environments. A dataset of 466 Chinese Firms' cross-border acquisitions in the time period of 2000-2010 supported our hypotheses.

Re-thinking Integration Factors in Cross-border M&A Deals: An Experience of Acquirers from Emerging Markets

Andrei Panibratov, *St. Petersburg State University*

Marina Latukha, *St. Petersburg State University*

The paper aims at identifying key factors that influence cultural and organizational integration of emerging multinational enterprises (EMNEs) in cross-border mergers and acquisitions (M&A) deals. Departing from the theory analysis and then going in depth into four deals by Chinese and Russian firms, we found the combination of cultural and organizational characteristics of integration process of EMNEs from China and Russia.

Competing Logics of OFDI: The Role of CEO from Different Social Contexts

Wenlong Wang, *Tsinghua University*

Rui Wu, *Tsinghua University*

Jie Jiao, *Tsinghua University*

Outward FDI in emerging economy has been examined a lot in recent years. However, the role of CEO on this international strategy has been neglected. In this paper, following the institutional logic perspective, we propose two competing logic, the family logic and the state logic in the research context of China's private firms. These logics will influence firms' OFDI decisions in different ways through the role of CEO in private firms. Specifically, we propose that CEO who serves as a family nurturer and follows the family logic will make less OFDI decisions while CEO who serves as a political actor and follows the state logic will make more OFDI decisions. In addition, we further propose that family and government ownership will moderate the above relationship.

Chinese Overseas M&A and Their Challenged Legitimacy: A Framework of Firm Attribute, Action, and Outcome

David Gomulya, *Nanyang Technological University*

Lai-Si Tsui-Auch, *Nanyang Technological University*

Dongdong Huang, *Nanyang Technological University*

This paper addresses an important but undertheorized topic by developing a multilevel theory to conceptualize the relationship between Chinese firms' political connections, legitimizing actions, and legitimacy of their overseas merger & acquisition. This relationship is explicated using neo-institutional theory, resource dependence theory, and political embeddedness perspective. We offer propositions to explain how formal versus non-formal political ties of globalizing firms with their home country government generate different degrees of perceived state influence over the firms, which trigger legitimizing actions (conforming, maneuvering, and disembedding), and the subsequent impact of such perceived influence. We adopt a holistic approach by theorizing contextual factors across levels that moderate the relationship between perceived state influence and firm actions required.

Boundary Conditions for Trust among Exporters and Importers: Evidence from Importers Who Import from China

Mehmet Barca, *Ankara University of Social Science*

Mehmet Ali Koseoglu, *Hong Kong Polytechnic University*

Semih Ceyhan, *Ankara Yildirim Beyazit University*

Cagri Dogan, *Ankara Yildirim Beyazit University*

Mehmet Yildiz, *Ankara Yildirim Beyazit University*

This study is an attempt to elucidate the boundary conditions for the emergence of trust in inter-organizational relationships. Although there are a number of studies that report different boundary conditions for the emergence of trust in inter-organizational relationships, several researchers argue that there is still a need for extending the inquiry on exploring the boundary conditions for the emergence of trust in inter-organizational relationships. Therefore, in this study we would like to extend the literature by focusing on the boundary conditions for the emergence of trust in exporter-importer relationships in emerging market context through employing a qualitative method. Qualitative data will be collected through conducting at least 30 interviews with managers of companies that import from China.

SESSION 333

CORPORATE STRATEGY DURING CHANGES

TRACK E	Date	Monday, Dec 12
	Time	11:15 - 12:30
Paper	Room	Lecture Theatre 7

Session Chair: Rian Drogendijk, *University of Groningen*

Flying Under the Radar: Minimizing Corporate Resistance to Subsidiary Initiatives

Hammad Haq, *Uppsala University*
 Rian Drogendijk, *University of Groningen*
 Desirée Blankenburg Holm, *Uppsala University*

Subsidiaries face resistance from the headquarters and other units in the organization when seeking resources and support for new business opportunities or initiatives. The purpose of the paper is to investigate how subsidiaries can adopt a communication style or strategy to counter the resistance faced and obtain a positive response from the headquarters. The data for this paper has been collected through a survey questionnaire targeting foreign subsidiaries of Swedish MNCs.

Manufactured Superstars and Globalisation of K-pop

Joseph Kim, *University of New South Wales*

The global music markets have witnessed a sudden surge of Korean pop music and its musicians since the early 2000s. The proposed research aims to provide account for how Korean pop music and musicians have successfully internationalised in the competitive global cultural product markets. The central tenet of this paper is that the talent development strategies formulated and implemented by Korean musician management companies have been one of major driving factors behind startling global inroads of Korean pop music and its musicians.

What Deters Foreign Divestment? A Time-series Study of Japanese Parent Firms

Yoichiro Nishimura, *Kanagawa University*
 Rebecca Liu, *Lancaster University*

This study investigates the factors that may decrease the likelihood of a firm's foreign divestment. Specifically, it concerns with a parent firm's innovative capability and diversity of investment and its foreign subsidiaries' culture similarity and policy stability. Research is based on a time-series study (2001, 2010 and 2015) into Japanese parent companies that have/used to have foreign investment. Our empirical study indicates that strong innovative capability (in the form of patent performance) and more focused investment reduces the possibility that a parent firm divests its foreign subsidiaries. We however do not find consistent results on culture similarity and policy stability. This study is significant to corporate global strategy, contributing to a much less understood issue in the internationalization literature.

Clipping The Wings Of The Golden Goose? The Impact Of Codified Monitoring On R&D Investment

Shuping Li, *The Hong Kong Polytechnic University*
 Ruth Aguilera, *Northeastern University*

We study how increased availability of codified information relative to tacit information in monitoring relations, which we refer to as increased codified monitoring, affects firms' R&D investments. We conducted Difference-in-Differences analysis based on the 2002 U.S. Sarbanes-Oxley Act, which mandated increased codified monitoring of U.S. public firms without equivalently increasing the tacit monitoring. In contrast to traditional agency theory, we predict that R&D investments by U.S. high-technology firms declined relative to foreign cross-listed firms that did not face the Act. Moreover, we predict that the reduction was weaker for firms in which monitors had greater capacity to collect tacit information, while being stronger for firms with higher managerial moral hazard. The study reveals the unintended consequence of traditionally believed best corporate governance.

SESSION 400

EMERGING MARKET MULTINATIONALS: THE RISE OF THE REST OF ASIA

TRACK P	Date	Monday, Dec 12
	Time	11:15 - 12:30
Invited Panel	Room	Lecture Theatre 8

Emerging Market Multinationals: The Rise of the Rest of Asia**Session Chair**

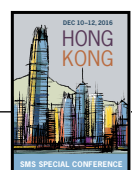
Alvaro Cuervo-Cazurra, *Northeastern University*

Panelists

Marleen Dieleman, *National University of Singapore*
 Pavida Pananond, *Thammasat University*
 Seung Ho Park, *China Europe International Business School*
 Markus Taussig, *National University of Singapore*
 Paz Estrella Tolentino, *University of London*

This panel will analyze the global expansion of multinationals from small and mid-sized emerging Asia. These firms are underresearched since most of the literature on emerging market Asian multinationals is concentrated on the experience of Indian and Chinese firms. However, some of these experiences are implicitly driven by very large domestic markets and thus may not apply to firms from small countries. The panelists will explain how firms operating in small domestic markets can nevertheless build their competitive advantage to international levels, in many cases in tandem with their foreign expansion; how they can improve their competitiveness via links to global supply chains of other multinationals; and how regional economic integration is spurring these firms to expand abroad. This panel is sponsored by Global Strategy Journal. For more information on the journal please visit: <https://strategicmanagement.net/gsj/overview/overview>

12:30 – 13:45
LUNCHEON



SESSION 350

INSTITUTIONAL PERSPECTIVES ON POLITICAL STRATEGY

TRACK B	Date	Monday, Dec 12
	Time	14:00 - 15:15
Paper	Room	Lecture Theatre 5

Session Chair: Corinna Sinzig, *Hamburg University of Technology*

Career Imprinting of Politicians, Local Embeddedness and Political Tie Formation in an Emerging Market

Danqing Wang, *University of Hong Kong*
 Fei Du, *University of Hong Kong*
 Chris Marquis, *Harvard Business School*

While existing studies have examined benefits and costs of political ties through the perspective of firms, underexplored is the rationale of politicians to form ties with firms. Drawing on the imprinting theory, this study investigates how education and career imprints influence politicians' propensity of building institutional connections with firms. Using China as the empirical context, we find that Chinese publicly listed firms are less likely if the mayor of the headquartering city joined the Communist Party prior to 1978 while are more likely to have ties if the mayor has longer tenure. Furthermore, tenure attenuates the negative effect of the Party imprint, while substitutes for overseas education in influencing the likelihood. We discuss the implications on political ties research and the imprinting theory.

Appropriation by Political Ties: A Case Study

Marleen Dieleman, *National University of Singapore*
 Henky Widjaja, *Leiden University*

We advance the resource dependence literature on appropriation of organizational resources by powerful partners, focusing on political ties. Using a unique emerging market case of a venture with political ties, we advance theory by unpacking how political connections can hurt the organization by increasing the permeability of organizational boundaries. Our extensions highlight the crucial role of control mechanisms for politically connected organizations.

Organizational Political Ties and Firm Performance: A Replication and Extension of Peng and Luo (2000)

Hai Guo, *Renmin University of China*
 Zeyu Wang, *Renmin University of China*

Mike Peng and Yadong Luo's seminal paper "managerial ties and firm performance in a transition economy: the nature of a micro-macro link" published in 2000 marks the beginning of research on political ties and firm performance. Since then, a large number of papers have been published in a lot of prestigious journals to boost research in this field. This study aims to replicate and extend Peng and Luo (2000) in two major ways. First, drawing on social network theory, we define political ties as an organizational level construct and operationalize it with objective measures. Then, we are able to test a 'macro-macro' link. Second, three forms of political ties are distinguished to further explain the complex link between political ties and firm performance.

Nonmarket Strategies in Different Environmental Settings: Characteristics and Antecedents- A Case Study Approach

Corinna Sinzig, *Hamburg University of Technology*
 Thomas Wrona, *Hamburg University of Technology*

By providing unexpected insights on lower intensities and different weightings of implemented activities by subsidiaries in emerging markets, this paper contributes to the nonmarket strategy debate. Current research indicates that environmental conditions do have an impact on nonmarket strategic behavior of MNCs. Nonetheless, the absence of a clear consensus on what constitutes a nonmarket strategy makes comparisons of research findings all but impossible. Drawing upon a refined classification of nonmarket strategies and underlying activities, we aim at extending insights upon the prevailing question whether and why nonmarket activities of MNCs differ in distinct environmental settings. Using original qualitative data of

a multiple case study analysis, we develop theoretical propositions, linking heterogeneity of applied nonmarket strategies of MNCs to environmental conditions within developed and emerging markets.

SESSION 386

ENTREPRENEURSHIP: FOUNDERS AND FOUNDING TEAMS

TRACK C	Date	Monday, Dec 12
	Time	14:00 - 15:15
Paper	Room	Lecture Theatre 4

Session Chair: Bo Zhao, *University of Hong Kong*

Entrepreneurial Transition: How Does Founder Exit Affect Firm Innovation Trajectory?

Bo Zhao, *University of Hong Kong*
 Qiang Li, *Hong Kong University of Science and Technology*

This study focuses on founder exit and investigates the extent to which such transition may affect firm's innovation trajectory (i.e., exploration vs. exploitation). We construct a sample of high-technology companies that were public between 2004 and 2007 and track their founder exit events and innovation through 2013. We address the possibility of self-selection into founder exit by using coarsened exact matching (CEM) and apply a difference-in-differences (DID) framework to identify the causal effect of founder exit on firm innovation search depth and scope. Preliminary results show that founder exit may lead to more exploratory innovation but less exploitative innovation. We plan to move forward to investigate the potential mechanisms that explain the relationship.

Explorative and Exploitative Improvisation: How Founding Teams Response to Uncertainty

Yiyuan Mai, *Huazhong University of Science and Technology*
 Zhuxin Ye, *Huazhong University of Science and Technology*
 Wenge Zhang, *Huazhong University of Science and Technology*

Although previous research proposes improvisation to be an efficient way to cope with the uncertainties, little work has been done to clarify the construct, and to explore factors that influence the entrepreneurs' improvisation. In this paper, we focus on what factors facilitate founding team's improvisation and how. Our study proposes that founding team's transactive memory system had a positive relationship with the strategic improvisation especially when the team was highly tolerant of new venture's short time life. We also highlight the urges of founding teams to balance between explorative improvisation and exploitative improvisation.

When can heterogeneity be made better used?

Qiu Shumin, *Tsinghua University*
 Delin Yang, *Tsinghua University*

Rather than continuing the debate of whether team heterogeneity is a positive or negative main effect on new ventures performance, we think identify under what conditions team heterogeneity can be better used to benefit performance would be a more fruitful avenue of research. From an institutional perspective, this paper investigates the contingent effects of founding partner source heterogeneity (i.e. a founder chooses founding partners from his/her diverse sub-networks) on venture innovation performance with the data from Tsinghua Alumni Entrepreneurship survey. The results suggest that founding partner heterogeneity can weakly promotes innovation. Such relationship is significantly enhanced when operated in a more supportive institutional environment with IPR protection, but is mitigated in an insufficient IPR protection environment.

Contextualizing Motivations of the Indian Innovative Entrepreneurs

Mukul Joshi, *Indian Institute of Technology Kanpur*

Uday Racherla, *Indian Institute of Technology Kanpur*

Kumar Ravi Priya, *Indian Institute of Technology Kanpur*

There is a need to establish the contextual origins of motivations of innovative entrepreneurs (IEs) in India. This will help the policy makers to provide breeding ecosystem to these entrepreneurs. Assuming a historical situation of motivation in the socio-cultural past of the individuals, we incorporate a social constructionist inquiry into the complex motivations of 10 innovative entrepreneurs (both commercial and social) using in-depth interview to generate qualitatively rich data. Analysis has been done using constructionist grounded theory approach. Rigor in analysis has been introduced by the constant comparative technique and maximum variance sampling. Based on our findings we propose a Developmental Critical Transcendence (DCT) framework to classify the entrepreneurs based on their externality – motivation combination.

SESSION 373

PLATFORM STRATEGIES

TRACK D	Date	Monday, Dec 12
	Time	14:00 - 15:15
Paper	Room	Lecture Theatre 7

Session Chair: Yongzhi Wang, *University of Southern California*

★ Fools Rush In? Entry into Platform-based Markets Following Acquisition Signals

Yongzhi Wang, *University of Southern California*

I study how acquisitions in an app category of the iOS mobile platform influence subsequent entry behaviors. In this fast growing market filled with uncertainties, developers need to discern the correct entry timing following market signals. Intense acquisition events occurring in a segment signal that potential entry costs may exceed benefits, as the segment leans towards mature stage, thus lowering a developer's likelihood of entering the segment. The deterring effect is stronger for developers who have more experience with the platform, whose experiences are more proximate (than distant), or whose prior product portfolios are more focused. However, perhaps due to their conservativeness in making entry decisions during heydays of acquisitions, such developers' products fare better than that of other entrants in the post-entry period.

Strategic Options on Platforms: Coevolution of Emerging Technologies and Lenient Market Categories

Hongjen Chiu, *National Taiwan University*

How valuable and persistent are platform assets underlying strategic options? What are the determinants and consequences in the evolutionary paths of strategic options? This paper intends to elucidate the processes of reconfiguring strategic options on platforms in the conceptual space where emerging technologies and lenient categories coevolve. Due to its blurry boundary, a platform in the lenient market category evolves through winner-take-all competition beyond superior functionality. However, when the firm operates overlapping platforms with equal intensity, this category-spanning strategy will diminish the benefits of each platform. We develop an evolutionary model to specify the roles of platform competition, dynamic capabilities, and strategic flexibility for platform performance. Our modeling efforts should enhance theory building toward an evolutionary theory of platform strategy.

An Organization-based View of Strategy and an Integrative Framework of Strategic Management

Xin Li, *Copenhagen Business School*

Just like scholars distinguish two types of firm's external environment, i.e., competitive and institutional, we make a distinction between two types of firm's internal environment, i.e., resources and organization. Based on this distinction, we propose an organization-based view of strategy (OBV), not only as a label to unite various organization-related issues within the strategy field, but also as a fourth research paradigm to supplement to three existing paradigms, i.e., industry- or competition-based view (CBV), resource-based view (RBV), and institution-based view (IBV). Bringing the four paradigms together, we transform Mike Peng's 'strategy tripod' into a 'strategy quadrupod'. By proposing an organization-resource-institution-competition (ORIC) analysis and a situation-action-performance (SAP) framework, we attempt to make a grand integration of the strategy field.

Phasing in Succession in Family Businesses: The Role of Sensemaking via Performativity

Sanjay Goel, *University of Minnesota*

Kajari Mukherjee, *Indian Institute of Management Indore*

We develop a mid-range theory of successful succession in family business, rooted in sensemaking and performativity, that we aim to hone by combining focused deduction with rich inductive data. Succession in family business is conceptualized as a four-level, five-phased gradual process that entails developing channels for inter-generational communication and narratives that helps child-successor to integrate family business activities, behaviors and tasks into his/her own identity. Collective sensemaking via performativity is developed as the process that constructs the gradual transition from one leader to the next. Inductive data from six Indian second generation families selected based on theoretical sampling will supplement the framework presented in this proposal.

SESSION 329

THE ROLES OF INSTITUTIONS IN THE CONTEXT OF INTERNATIONALIZATION

TRACK E	Date	Monday, Dec 12
	Time	14:00 - 15:15
Paper	Room	Room 201

Session Chair: Andy Kyung Hwan Yun, *Hong Kong University of Science and Technology*

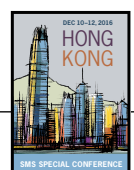
A Contextualized Model of Headquarters-Subsidiary Agency Problems

Tatiana Kostova, *University of South Carolina*

Phillip Christopher Nell, *WU Vienna*

Anne Kristin Hoenen, *WU Vienna*

This paper proposes an agency model for headquarters-subsidiary relationships in multinational organizations with headquarters as the principal and the subsidiary as the agent. As a departure from classical agency theory, our model is developed for the unit level of analysis and considers two root causes of the agency problem – self-interest and bounded rationality. We argue that one cannot assume absolute self-interest and perfect rationality of agents but should allow them to vary. We explain subsidiary-level variation through a set of internal organizational and external social conditions in which the headquarters-subsidiary dyad is embedded. We then discuss several agency scenarios that lead to different manifestations of the agency problem. The framework informs more relevant applications of agency theory in organizational studies and motivates future research.



Emerging Country Firms' Internationalization Through International Strategic Alliances - The Role of R&D

Hanna Maria Dohlen Opsahl, *Toulouse Business School*

Denis Lacoste, *Toulouse Business School*

Emerging country firms' (ECFs) global footprints are growing; a tendency confirmed by the number of international ECFs and their rising amount of OFDI. ECFs' are moving from being low-cost manufacturers to become innovative, high-tech firms. However, ECFs suffer from latecomer disadvantages, in terms of innovation and internationalization. Emerging countries are characterized by institutional voids with consequences such as lack of IPR protection, liability of emergingness and financial constraints. In this context, overcoming these drawbacks impacts ECFs' internationalization. Using a sample of Indian firms, this research demonstrates that R&D intensive firms tend to favor international strategic alliances (ISAs), and not acquisitions. ISAs might be a better way for R&D intensive ECFs to compete in global markets.

The Impact of Added Institutional Distance on the Internationalization Process of Chinese Multinational Enterprises

Xuan Du, *Shandong University*

Yimin Wang, *Shandong University*

Mohammad Rahman, *Shandong University*

Drawing from international business and strategic management literatures, this study extends the concept of added distance to institutional environment as added institutional distance in terms of three dimensions-added regulative/normative/cognitive distance. We develop a theoretical framework and empirically investigate the relationship between added institutional distance and the internationalization speed of Chinese Multinational Enterprises (CMNEs) which is moderated by the effect of government involvement and degree of internationalization (DOI). We use a sample of 131 CMNEs and their subsidiaries in 71 countries. The results demonstrate that the internationalization speed is negatively influenced by each dimension of added institutional distance. The moderating effect of DOI is significantly negative on the relationship while government involvement is only significantly positive on the relationship between added normative distance and internationalization speed.

How the Rising Domestic Firms Crowd Out Foreign Firms in an Emerging Market?

Chenguang Hu, *Hong Kong University of Science and Technology*

Andy Kyung Hwan Yun, *Hong Kong University of Science and Technology*

We apply learning perspective to examine under what condition the presence of POEs would crowd out foreign firms in an emerging market. We argue that technological and institutional knowledge are important for firms to survive in an emerging market. POEs are well equipped with institutional knowledge, but they need to learn technological knowledge from foreign firms to survive. Although, foreign firms have advanced technological knowledge, they need to learn institutional knowledge from POEs. We argue that foreign firms would be crowded out by POEs if: 1) foreign firms fail to learn institutional knowledge and face tough competition from POEs; 2) POEs prevent the spillover effect to inhibit foreign firm learning. Moreover, the strength of the two mechanisms also depends on the endowment of foreign firms.

SESSION 330

THE DEVELOPMENT AND IMPACTS OF DYNAMIC CAPABILITIES IN INTERNATIONALIZATION

TRACK E

Date Monday, Dec 12

Time 14:00 - 15:15

Paper

Room Lecture Theatre 6

Session Chair: Jean-Yves Le Corre, *Xi'an Jiaotong-Liverpool University*

An Analysis of Guanxi and the Degree of Internationalization of Chinese Manufacturing Firms

Chao Zhou, *Zhejiang University*

As a country with a long history, the Confucian culture particularly the concept of guanxi has greatly influenced Chinese business environment. This paper mainly explores how two types of guanxi ties (guanxi with governments, guanxi with business partners) affect the degree of internationalization of Chinese manufacturing firms. Based on literature review, this study proposes that both guanxi with governments and guanxi with business partners exert positive effects on the degree of internationalization of Chinese manufacturing firms. Additionally, through the mediating variables of resource bridging capability and adaptive capability, the positive effect of these two types of guanxi is still significant. In particular, guanxi with business partners moderates the positive effects of guanxi with government and resource bridging capability.

Factors Influencing Choice of Interaction Post International Joint Venture Termination: An Emerging Market Perspective

Nakul Parameswar, *Indian Institute of Technology Delhi*

Sanjay Dhir, *Indian Institute of Technology Delhi*

Businesses across the world have shifted their focus on emerging markets. International Joint Ventures (IJV) act as a mode of entry to enter emerging markets and an avenue to share risks. Extant literature has explored IJV in emerging markets for pre formation process, formation process, IJV dynamics, and termination. This study explores post termination interaction between IJV partners. This study posits that the choice of interaction post IJV termination in emerging markets depend on interdependence, strategic fit, competencies, bargaining power and industry characteristics. Results of the study indicate that the pre-partnering experience in IJV significantly affects the choice of interaction between partners post IJV termination. From emerging market context, interaction post IJV termination is important to a great extent to both foreign and domestic partner.

★ How Rival Partners Compete on International Market Based on Cooperation

Meng-Hsien Yen, *National Chengchi University*

Tzu-Ju Ann Peng, *National Chengchi University*

Mike Bourne, *Cranfield University*

This study attempts to answer the question: while cooperating with competitors, how do rival partners compete on international market based on cooperation? We analyse the competition between two leading competitors in the Taiwanese bicycle industry by using in-depth analysis of press coverage combined with informant interviews in two competitive settings (e-bike and European market). This led us to two propositions. First, despite cooperation inevitably facilitating higher resource similarity, rival partners are more likely to deploy their resources where the companies do not overlap competitively in a given market. Second, given high market commonality, rival partners are more likely to avoid head-on competition through product differentiation and dispersed geographical market segmentation. The way they compete is based on "mutual trust" in cooperation.

Implications of the Chinese Light-touch Model on the Design and Implementation of Performance Management Systems

Jean-Yves Le Corre, *Xi'an Jiaotong-Liverpool University*

Recent research has evidenced that control practices in the context of Chinese firms operating abroad can differ significantly from practices in Western companies. Our research analyses the possible implications of the Light-Touch model of pre and post-acquisition integration on the applicability of currently prevailing models of performance management, in particular the balanced scorecard. Our research suggests that, under the Light-Touch model, the practice of performance monitoring systems is mainly driven by the following principles of: a learning process, a tool for strategic decision-making, and a protocol for communication. This research will help understand emerging forms of managerial control practices in large Chinese and Western MNCs in the contemporary global business context.

SESSION 334

INSTITUTION, CULTURE, AND SOCIAL PERFORMANCE AROUND THE WORLD

TRACK F	Date	Monday, Dec 12
	Time	14:00 - 15:15
Developmental	Room	Room 211

Session Chair: Björn Frank, *Sophia University*

Building Customer Value through CSR in Japan: Roles of Domain-specific Brand Image and Information Exposure

Björn Frank, *Sophia University*

Japan has a culture of uncertainty avoidance and the highest level of economic development in Asia, which hints at higher-order consumer needs. This might correspond to a greater influence of corporate social responsibility (CSR), which signals high ethical standards and integrity. To address the lack of empirical research on the effectiveness of CSR in the Japanese market, this study explores the roles of a brand's social and environmental CSR image and of customer exposure to CSR information in the formation of customer value in Japan. Based on hierarchical linear modeling of data for multiple brands in three product categories, this study identifies a consistently strong influence of social CSR image and weak influences of environmental CSR image and of CSR information exposure in Japan.

Empathy and Integrity-based Strategy of Foreign Multinational Enterprises in China

Maria Lai-Ling Lam, *AJ-Great Ltd*

This paper is based on the author's extensive literature review, ten years' field work in China, Japan, and the U.S., and personal reflections. During her ten years of field work in seven key cities in China, she interviewed thirty Chinese executives from twenty different foreign multinational enterprises. Only two foreign multinational companies chose to increase communication with their suppliers in China despite all companies are oriented to operational efficiency. These two companies' commitment to sustainability and corporate social responsibility in the global supply chain is due to the practice of empathy and integrity-based strategy. The virtues of self-control and self-respect of participants in the supply chain are possible as the capabilities of moral thinking of selected Chinese suppliers are enhanced.

Strategic Approaches towards Corporate Sustainability in the Thai Rubber Sector

Nittida Sudmai, *University of Surrey*

Walter Wehrmeyer, *University of Surrey*

The discussion about the contribution to sustainable development that companies can and should make has increased over the last years, raising the frequency of the discussion as well as the expected performance of the companies. Most authors argue that some activities are generic to any company, other, including this paper, argues that particular corporate sustainability strategy for specific context is needed. Thus, empirical findings from four natural rubber processing companies in Thailand are presented. The analysis shows how and why their approaches for corporate social

responsibility provide unique contributions to society, suggesting that a diversion in strategic approaches to CSR from the mainstream is viable and can be explained through the specific national, economic and cultural context within which the companies operate.

Culture, an Illusion or a Reality?: Foreign Directors' Impacts on CSR Investments

Eunji Huh, *KAIST*

The study aim to address variances in firms' CSR investments, by explaining cultural influences on the major role of independent directors in Korean companies and CSR. To determine this, moderating effects of foreign directors from different cultural orientations and that of Korean independent directors on the relationship between slack and CSR are empirically examined. The study try to show that the key functions of a board of directors in Korean firms may be to advise managers and to provide resources to firms so they generally foster CSR, while their prime role and attitude to CSR could appear in a different way for foreign directors due to the cultural factors. The research explores the issues in perspective of agency theory, resource dependence theory, and stakeholders theory.

Side Dish of Volunteering: Cafeteria Approach to Implement CSR Strategy

Chintan Kella, *LUISS Guido Carli University*

Riccardo Maiolini, *John Cabot University*

Ekta Sharma, *Ahmedabad University*

Luca Giustiniano, *LUISS Guido Carli University*

After the passing of the Corporate Social Responsibility Act, 2104 in India, the question organizations face is not whether they should engage in CSR, but how? Most of the CSR strategy follows a top down approach. This causes alienation of the employees of the organization as they may not necessarily relate with the CSR initiative which was chosen by the few at the top. So how can organizations create a CSR strategy so that not only more employees participate, but also they can relate more with the CSR initiative and eventually the organization? We offer a bottom up approach which we call as 'Cafeteria menu' approach to effectively implement CSR strategy by making it more participatory, especially for employee volunteering.

SESSION 396

MNC STRATEGIES IN ASIA

TRACK P	Date	Monday, Dec 12
	Time	14:00 - 15:15
Invited Panel	Room	Lecture Theatre 8

MNC Strategies in Asia

Proposal Authors

Aya Chacar, *Florida International University*

Mary Teagarden, *Arizona State University*

Session Chair

Aya Chacar, *Florida International University*

Panelists

Christina Ahmadjian, *Hitotsubashi University*

Marjorie Lyles, *Indiana University*

Klaus Meyer, *China Europe International Business School*

Jaeyong Song, *Seoul National University*

In this session leading global strategy experts and Asia scholars will discuss multinational firm strategies, the challenges and opportunities they face, and lessons from global business strategy research.



SESSION 338

SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE STRATEGY

TRACK A	Date	Monday, Dec 12
	Time	15:30 - 16:45
Developmental	Room	Room 211

Session Chair: Alvaro Cuervo-Cazurra, *Northeastern University*

A Driver-based Typology of Environmental Innovation and Governance Modes of Innovation Activities: The French Evidence

Thuc Uyen Nguyen-Thi, *Luxembourg Socio-Economic Research (LISER)*

Ying Li, *Technical University of Denmark*

Caroline Mothe, *University of Savoy*

Previous research on environmental innovation has not yet provided a clear understanding about the relationships between inbound open innovation and environmental innovation with respect to the types of environmental innovations on one hand, the governance modes for external relationships through which firms access knowledge on the other hand. We here distinguish four driver-based EI types according to two main dimensions: compliance vs. voluntary, and own value capture vs. customer value capture. We then test the effect of the choice of a governance mode of external R&D collaborations on these four types of environmental innovation.

Do Chinese Business Organizations Need Legitimacy?

Daniel Degraev, *California State University, Northridge*

How critical is it for organizations to possess and manage legitimacy? Most people believe that legitimacy is required but some authors question that belief. This exploratory paper attempts to identify the determinants of organizational legitimacy in a Chinese context. After a brief review of the literature, similar determinants to those at work in a Western context are identified; more research is necessary about the legitimization process because that phenomenon is more complex than initially thought, as demonstrated by some recent literature. For example, various levels of legitimacy and multiple actors are at play, and strong sociological and psychological factors impact the legitimization phenomenon. This paper offers a brief review of the literature and examines the Chinese setting, before proposing a way to study the phenomenon in China.

Global Strategies in Transition Economies: Strategic Choices that Follow the Logic of Appropriateness

Joachim Timlon, *Linnaeus University*

This paper seeks to contribute to the institutional-based view on strategy in emerging economies by conceptualizing how multinationals, competition with other firms, enact to match their strategies and make strategic choices during institutional transitions. In this paper I highlight the dynamic feature of how MNEs respond to their external environments. I further explore the dynamic feature through the institutional lens, discuss strategy as 'a pattern in a stream of actions' and propose that in emerging markets, strategic choices according to which the strategy is rationalized follow the logic of appropriateness. Finally, some strategic postures for how MNEs match their strategies and make appropriate strategic choices to major strategic change situations in an emerging country markets context conceptually illustrate the model.

La Conquête Du Monde: East/West Perspectives on Sustainability Reporting and Country Risk

Ivan Montiel, *City University of New York*

Linda Rodriguez, *University of South Carolina Aiken*

This proposal presents a comparative study that applies Hofstede's cultural dimensions and country risk valuation to compare how companies located in Western and Eastern regions present their corporate sustainability strategies to their stakeholders. We compare pairs of West-East companies in both low and moderate risk countries and find that differences in the corporate sustainability strategies they report can be related to geo-political and socio-cultural differences. Our findings can serve as a tool for companies in both regions to gain a better understanding about which sustainability strategies are of more concern, depending on the region they operate.

Top Manager's Abuse of Power, and External Audience Perception on the Firm: Korean Context

Yoonjeoung Heo, *National University of Singapore*

As firm becomes one of the prevalent institutions, top managers' power is significantly influential in the society. Accordingly, public requires the top managers of the firm social responsibility as a social elite. However, despite the growing concern about the responsible use of top manager's power, scholars pay little attention to the consequences of top manager's power abuse in social context. This paper investigates how the top manager's abuse of power affect the social audience's perception on the firm. Based on upper echelon theory and social cognitive perspective, this study explains how social audience identifies the top managers as identical to the firm, and how this identification affects on the perception of the social audience on the firm in the case of managerial abuse of power.

Pursue the Sustainable Growth or Beat the Industry Growth: Which Growth is Better in China?

Rong Zeng, *University of Calgary*

Pengcheng Zhu, *University of San Diego*

Kalun Tse, *CEIBS*

In this study, we investigate the relationship between different growth patterns and different performance measures for Chinese publicly listed firms. The growth pattern is built on two constraints, one being internal resource constraint and the other being external growth constraint. We find that the majority of Chinese firms adopt aggressive growth strategies that are not supported by their internally generated financial resources. However, China capital market reacts positively to firms that grow aggressively above their sustainable growth rate. The study also reveals the importance of market power in China in mitigating the growth constraint from the internal financial resources in the eyes of capital market. However, operational excellence still favors those firms that meet their internal resource constraint and manage their growth smartly.

SESSION 383

ORGANIZATIONAL AMBIDEXTERITY

TRACK C	Date	Monday, Dec 12
	Time	15:30 - 16:45
Paper	Room	Lecture Theatre 5

Session Chair: Sabyasachi Sinha, *Indian Institute of Management Lucknow*

Organizational Ambidexterity: Emotional Labor and Innovation

Hye Ryeong Lim, *Seoul National University*

Kyung Suk Lee, *Seoul National University*

This study contributes to conservation of resource theory by studying the negative relationship between emotional labor and innovation. We focus on the cognitive costs of emotional labor and found that when workers' cognitive resources are depleted due to emotional labor, mental fatigue occurs. Mental fatigue leads to cognitive closure, eroding both explorative innovation and exploitative innovation. In terms of organizational ambidexterity, our results show that mental fatigue harms exploratory innovation more than exploitative innovation.

Variation and Search: Two Conceptualizations of Exploration and an Integrated Model of Organizational Adaptation

Seung Hoon Lee, *University of Illinois at Urbana-Champaign*

The exploration-exploitation concept from the literature of organizational learning has afforded much insight into the problem of adaptation under environmental change. From an appreciatively critical review of previous modeling efforts, two distinct research streams that conceptualize exploration respectively as variation and search are pointed out. This is followed by an integrative model and accompanying research hypotheses that attempts a reconciliation of the two views. The integrated model, however, reveals some unavoidable tensions regarding the sources and adaptive consequences of organizational change, which necessitates a scrutinized empirical examination for further theory development. The hypotheses are tested using a representative sample of Korean manufacturing firms, and the sample consists of 623 firms over three-waves between 2003 and 2008, which aggregates to a sample size of 1394 firm-years.

The Emergent Process of Becoming an Ambidextrous Organization

Sabyasachi Sinha, *Indian Institute of Management Lucknow*

Rarely have we asked- whether “to be ambidextrous” is a deliberate strategic choice or it may also evolve as an emergent process due a priori occurrence of other events. In this article we discuss the emergent process of organizational ambidexterity. This study is based on empirical qualitative-case- based-inductive-study of organizational ambidexterity in the growing new venture context. The findings indicate organizational ambidexterity emerged due to existence of certain other factors which subsequently facilitated the firm to become ambidextrous. Also, in such emergent evolution of organizational ambidexterity top management’s orientation (ambidextrous or not?), team bonding, and signalling leads to attention on both exploration and exploitation activities. This further facilitated in creating a supporting context for exploration and as well as exploitation.

Balancing Internal and External Knowledge for Innovation

Shigemi Yoneyama, *Gakushuin University*

Sarah Cheah, *National University of Singapore*

Kazuma Edamura, *National Institute of Science and Technology Policy*

This paper examines the relationship between technological autarky and product development performance. Technological autarky is defined as the ratio of internally developed technologies to all the technologies used for developing new product. Our analysis shows that there is an inverse U-shaped relationship between them, which implies that an appropriate balance of internal and external technologies is important for enhancing product development performance. Our finding also demonstrates that the relationship is affected by technology strategies in product development: to what extent firms use new technologies and pay attention to know-how in developing new products. In this paper, we discuss how the findings are expected to advance the recent arguments on open innovation by clarifying the conditions under which external technology sourcing may lead to higher performance.

SESSION 387

ENTREPRENEURSHIP AND INNOVATION: NETWORK PERSPECTIVE

TRACK C	Date	Monday, Dec 12
	Time	15:30 - 16:45
Paper	Room	Lecture Theatre 8

Session Chair: Wensong Bai, *Uppsala University*

Network Behaviors and Knowledge Outcomes in New Ventures: An Exploratory Study in China and India

Shameen Prashantham, *China Europe International Business School*

Jingzi Zhou, *Xi'an Jiaotong-Liverpool University*

While prior work usefully emphasizes the effects of network characteristics on knowledge levels in new ventures, the role of network-related behaviors tends to be overlooked. Using survey data from 187 technology-based

new ventures in China and India, we ask: Do emerging market-based new ventures with higher levels of network behavioral propensities (specifically, network proactiveness, deepening and broadening) attain higher levels of technological and internationalization knowledge? Network broadening is found to be associated with technological knowledge and network deepening with internationalization knowledge levels. Network proactiveness partially mediates the former relationship and positively moderates the latter. The direct effects of network proactiveness on both knowledge levels is stronger for India than China, suggesting that proactiveness has a greater payoff for ventures in relatively less well-endowed institutional environments.

Network Structure, Opportunity, and Internationalization of Emerging Market Firms: The Mediating Effect of Network Capabilities

Wensong Bai, *Uppsala University*

Martin Johanson, *Uppsala University*

In light that opportunity seeking has acquired increasing importance in explaining firms’ internationalization but understanding of how opportunity is developed is rare, this study attempts to probe into the creation of opportunity in international network that may drive internationalization. Based on the notion of opportunity in the entrepreneurship literature with theories on network and SMEs internationalization, we propose that opportunity creation is dependent on international network capability, which, in turn, is positively influenced by network closure and relational embeddedness. We test the model with a sample of 200 Chinese firms. The analysis supports the model and we conclude that the firm’s capability to act in international networks is a mediating factor between network structure and opportunity creation.

Heterophily and Decentration: The Evolution of Inter-Organizational Innovation Network in Emerging Country

Yutao Sun, *Dalian University of Technology*

Tong Yin, *Dalian University of Technology*

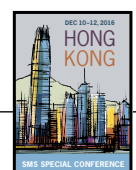
Literature on innovation networks reveals little of heterophily between organizations and decentration process in emerging country. Based on empirical research in Beijing and Shanghai of China, this study investigates the heterophily mechanism and decentration process based on statistical analysis (Social Network Analysis) and exploratory analysis (exponential random graph (P*) model). The paper shows that the evolution of inter-organizational innovation network is an alternative process between centration and decentration gradually, and institutional change has a significant influence to network change. Further, it is found that organizations prefer to collaborate with others share different types, and 85% of collaborative relationships are between academic and industries, emphasizing the complex nature of the innovation process which requires access to and recombination of diverse knowledge and resource.

Tacit Knowledge Transfer in Entrepreneurial Networks: The Moderating Role of Incubator/Accelerator Affiliation

Amit Kumar, *Indian Institute of Management Ranchi*

Rohit Kumar, *Indian Institute of Management Ranchi*

There is little empirical evidence on the issue of whether the relationship strength in entrepreneurial networks (RSEs) facilitates tacit knowledge transfer (TKT), and if so, whether incubator/accelerator affiliation in national system of innovation affects the relationship between RSEs and TKT. The proposed hypotheses remain relatively untested. A clearer understanding of the relationships in which an entrepreneur participates may therefore shed new light on findings regarding their innovation capability. Using novel data on Indian startups, this working paper investigates the effects of RSEs on the extent of TKT and innovation capability as well as examines the moderating effects of incubator/accelerator (private/public/private-public) affiliation. Controlling for various other startup characteristics our preliminary results support the majority of hypotheses and have important managerial implications.



SESSION 372

INNOVATION IN THE GLOBAL CONTEXT

TRACK D	Date	Monday, Dec 12
	Time	15:30 - 16:45
Paper	Room	Lecture Theatre 6

Session Chair: Emma Stendahl, *Stockholm University*

Management Practices Innovations within International Business Studies: A Translation Approach

Emma Stendahl, *Stockholm University*

Ali Yakhlef, *Stockholm University*

Esther Tippmann, *University College Dublin*

Within international business, introducing management novelty across subsidiaries is viewed as a phasic process starting with the ideational (of creating a solution to a problem) followed by the implementation (the activities for solving that problem). Whereas the ideational stage is couched in rational terms, the implementation stage in institutional terms. The paper transcends this dualism by suggesting a framework that integrates the generation and implementation phases into an intertwined and co-development process, by deductively drawing on Latour's (1988) laboratory studies, and inductively on case study material of a multinational company's experience of developing management practices across its subsidiaries. The paper makes some theoretical implications for our understanding of the dual (organic-mechanic) mode of operation and the separation between exploration and exploitation in strategic management.

Offshoring Innovation and Firm Innovativeness

Tung Min Hung, *Rutgers University*

Yi-Ju Lo, *Yuan Ze University*

Ming-Je Tang, *National Taiwan University*

Focusing on offshoring innovation, this paper analyzes how dispersed innovations affect firm innovativeness. We present four findings. First, firms with a greater number of dispersed innovations have higher levels of innovativeness. Second, the effect of dispersed innovations on firm innovativeness is larger when a corporate-wide offshoring strategy is adopted by the firm. Third, the effect of dispersed innovations on firm innovativeness is larger when the governance mode of captive operations is taken. Fourth, while the benefits of diversity and learning may guide firms to offshore many innovation activities across geographical locations, firms are able to gain the most returns from dispersed innovations when they highlight the advantages of orchestration and ownership by adopting both a corporate-wide offshoring strategy and a captive governance mode.

Coordinating Virtual Teams: The Role of Communication and Transactive Memory Systems

Jinlong Huo, *Getulio Vargas Foundation*

Thassia da Silva, *Getulio Vargas Foundation*

Globalization has changed the way companies do business today. In fact, the entire dynamics of multinational companies have transitioned from a single team working on a task into multiple global teams working on a single effort. The diversity enables the access to different types of knowledge, experiences and contacts that are essential to the company's performance. However the case, challenges are faced by companies when trying to efficiently coordinate virtual teams as well as deal with organizational memory. This paper seeks understand how team communication and transactive memory mitigates the potential problems derived from virtual coordination. We claim that several factors moderate the coordination results and task outcomes.

Competitive Advantage of Smallness: Niche Marketing Strategies of a Micro-multinational Brand

Sonya H. Wen, *Tamkang University*

YenHung Chiu, *Regency Tours & Travel*

How does a micro-multinational brand develop its competitive advantage by staying as small as possible? Contrasting to the mainstream economies of scale and the theory of the growth of the firm, we attempt to portray an alternative competitive advantage of smallness, particularly for born

global firms in emerging economies. To explore such emerging dynamics of smallness advantage, we compared the internationalization processes and marketing strategies of six competitors in the earphones industry. Our multiple case-study found that Chord & Major, a micro-multinational brand in Taiwan has leveraged niche-marketing and alliance strategies in its internationalization path to overcome its resource constraints.

SESSION 327

KNOWLEDGE MANAGEMENT AND LEARNING IN MULTINATIONAL ENTERPRISES

TRACK E	Date	Monday, Dec 12
	Time	15:30 - 16:45
Paper	Room	Lecture Theatre 4

Session Chair: Junmin Park, *Kangwon National University*

Control Mechanism, Reverse Knowledge Transfer, and Performance in Multinational Enterprises

Oh Suk Yang, *Kangwon National University*

Junmin Park, *Kangwon National University*

This study explores the relationship between reverse knowledge transfer and performance based on formal and social control mechanisms in MNEs. For confirming hypotheses, we made the structural models through the previous organization studies, and 256 MNE's employees were surveyed. The key results are as follows: (1) Reverse knowledge transfer (RKT) is positively moderating the both the relationship between subsidiary's performance and vision sharing and headquarter's performance. (2) RKT is positively moderating the relationship between the interaction term, subsidiary's performance and vision sharing, and headquarters' performance. This study presents positive external effects of the expanding subsidiary role and will criticize the skeptical attitudes of the previous reverse knowledge transfer studies and present a way to get the capabilities based on competition for the era of volatility.

Reverse Knowledge Spillover on Emerging Market Firms in Developed Markets: Evidence from Banking Industry

Xiaohui Yuan, *Renmin University of China*

Ziliang Deng, *Renmin University of China*

This study examines whether and how emerging market multinational enterprises (EM MNEs) can receive knowledge spillover effect in a developed market. We use the concept of absorptive capacity to argue that EM MNEs can learn better from firms that are similar with them, i.e. other EM MNEs. We hypothesize that when locating developed markets, emerging market firms will receive positive spillover effect from other emerging market firms, but negative spillover effect from developed market firms. Using a panel dataset of 74 subsidiaries of emerging market banks over the period 2000 and 2014, we find evidence supporting our hypotheses. This study extends the literature on knowledge seeking FDI and emerging market banks.

Strategic Role of Talent Management in Shaping Firm's Absorptive Capacity: Evidence from China and Russia

Marina Latukha, *St. Petersburg State University*

Andrei Panibratov, *St. Petersburg State University*

Anna Veselova, *St. Petersburg State University*

This paper investigates the relationship between talent management (TM) practices, absorptive capacity (AC), and firm's performance. We build the theoretical framework examining how TM practices, specifically talent attraction, development and retention, are related to firm's AC and company's performance. The theoretical framework suggests that talent development increases the level of knowledge acquisition, assimilation, transformation and exploitation. Further, our research focuses on the analysis of 120 companies headquartered in Russia and China showing applicability of our theoretical framework and proving the role of TM in AC and firm's performance in this particular context.

From Leverage to Learning: Latecomers' Trade-offs Between Buy and Imitation

Jiangang Wang, *University of Electronic Science and Technology of China*

Yifei Du, *University of Electronic Science and Technology of China*

We focus on what and how latecomers can leverage to drive their learning through examining the impact of domestic customer demand and latecomers' internal capabilities on their preference for external technology acquisition (Buy and Imitation). Based on the LLL framework, we will conduct a policy capturing study to provide empirical evidence for it, and extend it. A policy instrument will be developed, and the data is going to be collected in China. We will employ seemingly unrelated regression models to test our research hypotheses. This study might contribute to the LLL framework and an ambidexterity perspective toward latecomers.

SESSION 336

INSTITUTION

TRACK F	Date	Monday, Dec 12
	Time	15:30 - 16:45
Paper	Room	Room 201

Session Chair: Lai-Si Tsui-Auch, *Nanyang Technological University*

★ A Tall Tree Catches the Wind: Legitimacy Risk and Repair by Walmart China

Lai-Si Tsui-Auch, *Nanyang Technological University*

Xiaoxiao Liu, *Xiamen University*

Xueli Wang, *Tsinghua University*

Junjie Yang, *Nankai University*

This study aims to unfold how large MNCs, which often bear high legitimacy risk, repair legitimacy loss in the changing institutional environment of an emerging economy via an exploratory case study of Wal-Mart China. So far, published works on legitimacy repair have adopted a single approach—a largely reactive approach or a rhetorical strategy. In this research, we explore why and how different approaches are used in negative events of different nature and how different approaches with various tactics are combined to repair legitimacy. The analysis contributes to theory and research on legitimacy management, embedded agency, and MNCs in emerging economies.

Defying Friedman Doctrine at a Friedman City: A Case of an SRI Fund in Hong Kong

Shipeng Yan, *Tilburg University*

Despite the maturity of neo-institutional theory, few studies have explored how institutionally deviant options become suppressed. Utilizing the incumbent and challenger framework from a theory of fields, this study addresses this gap by probing the perspective of the institutional deviants as institutional challengers. Through qualitative data from a Hong Kong-based socially responsible investment (SRI) fund venture initiated between 2010 and 2014, this study explores why actors steeped in the incumbent group become institutional challengers, how they react to the prevailing order, and whether their effort is sustainable. In particular, this study builds a process theory of how challengers' intended deviance lead to the de facto conformity with the prevailing order, contributing to institutional theory, theory of fields, and corporate social responsibility.

Institutional Pressures and Participation in Global Governance

Abraham Soleimani, *Eastern Washington University*

William Schnepfer, *Franklin & Marshall College*

Wendy Eager, *Eastern Washington University*

This study investigates organizational- and national-level factors that impact the likelihood of corporations' participation in global governance. Drawing on institutional theory, we examine whether importance of global business and ownership structure of multinational corporations (MNCs) impact their participation in the United Nations Global Compact (UNGC). We investigate how national institutions can empower societies to place formal and informal pressures on corporations and intensify the impact of organization-level drivers to join the UNGC. Using a sample of 271 MNCs from six countries, we found bank-controlled MNCs, MNCs with more international operations, and MNCs highly embedded internationally are more likely to join the UNGC. We found that rule of law and democracy intensify the impact of MNCs' international operations on their likelihood to join the UNGC.

Rules versus Discretion in Corporate Environmental Compliance

Ning Liu, *Hong Kong Polytechnic University*

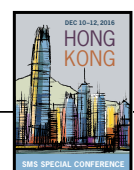
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By integrating the resource based and resource dependence literature, this research examines the role of managerial support, regulatory ties, and firm visibility in shaping two complementary styles of corporate environmental compliance: formalism and self-determination. Drawing on survey data collected from manufacturing enterprises in China between 2011 and 2012, the paper shows that managerial support is positively associated with both strict adherence to formal rules (formalism) and organizational discrepancy in environmental issues (self-determination). We further find that a firm's regulatory tie strength has a U-shaped effect on formalism while an inverted U-shaped effect on self-determination. Moreover, the inverted U-shaped effect is stronger in less generally visible firms and less environmentally visible firms.

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